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Changes in Direct Taxes on the
Components of Income

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S T U D I E S

of the

ROYAL COMMISSION ON TAXATION

Number 28

CHANGES IN DIRECT TAXES ON THE
COMPONENTS OF INCOME



by

John Bossons

Institute for Policy Analysis
University of Toronto
Toronto

December 1967

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This is one of a series of studies that have been prepared for the Royal Commission on Taxation. Although these studies are published under the auspices of the Commission, this does not necessarily imply that the Commission agrees with the views expressed.

PREFACE

This monograph is the third of four companion studies which supplement and provide documentation for the estimates presented in Volume 6 of the Report of The Royal Commission on Taxation of the effects on aggregate tax revenues and on the incidence of changes in direct taxes which would result from the Commission's recommendations. A description of the programs and data used in making these estimates is contained in Study 25, entitled A General Income Tax Analyzer. Estimates of the incidence of these changes on different classes of resident individuals are presented in Study 26, entitled Who Benefits and Who Pays: The Incidence on Different Income and Occupation Groups of Income Tax Changes Resulting from the Commission's Recommendations. The purpose of this monograph is to provide detailed estimates of the incidence of these changes in direct taxes upon various types of income accrued by resident individuals. Estimates of the changes in the tax base allocable to different classes of resident individuals are presented in Study 29, entitled Components of Taxable Income for Resident Individuals.

The estimates reported in this monograph are the result of applying the programs described in A General Income Tax Analyzer to a sample of 411,500 tax returns (unidentified as to taxpayer) supplied to the Commission by the Department of National Revenue. The results reported in this monograph could not have been obtained without the contributions which have been acknowledged in that study.

The estimates have been substantially revised since the publication of the Commission's Report, and their accuracy has been

correspondingly increased as a result of numerous useful suggestions received from readers of earlier drafts. I cannot adequately acknowledge all the contributions from which this study has benefited. I should, however, like to acknowledge the special contributions made to this study by L. Cseh of the Institute for Policy Analysis, by J. F. Helliwell of the Bank of Canada and University of British Columbia, and by J. Kuiper, A. Raynauld, and L. Read of the Department of Finance.

While this study is the third of the four companion studies in the order in which the original versions were written, this study is the last of the four to be printed by the Queen's Printer. Before sending it to press, I should like to pay tribute to the care with which all four studies have been handled in the process of converting them from typescript to print. The reader as well as the author is in considerable debt to Mrs. A. Lamb of the Commission's staff, whose conscientious and skilful editing has eliminated a number of errors and improved the readability of the studies. Reader and author must also be greatly indebted to the staff of the Queen's Printer, and particularly to A. Beauchamp and F. Presseault, for the accuracy with which text, titles, and computer output have been assembled and printed.


Needless to say, I alone am responsible for any errors that remain.

J. B.

Toronto
December 1967

TABLE OF CONTENTS

	<u>Page</u>
PREFACE	v
INTRODUCTION	1
Definition of Direct Tax Changes Estimated	3
Definition of Accrued Income	10
Description of Estimates	15
ERRATA IN STUDY 25	25
APPENDICES	
A. Current Tax Treatment of Components of the Comprehensive Tax Base	27
B. Changes in the Taxation of Each Detailed Category of Income for Resident Individuals in Each Income Class	31
C. Income from Major Source Components for Resident Individuals classified by Income and by Importance of Source	55
D. Current and Proposed Average Rates of Tax on Income from Major Source Components for Resident Individuals Classified by Income and by Importance of Source	65
E. Average Marginal Tax Rates on Each Detailed Income Component for Resident Individuals in Each Income Class	81
F. Current and Proposed Average Marginal Tax Rates on Income from Major Source Components for Resident Individuals Classified by Income and by Importance of Source	105
G. Changes in Average and Marginal Tax Rates on Income Attributable to Resident Individuals from Different Types of Corporations	121



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INTRODUCTION

The incidence estimates reported in Chapter 36 of the Report of the Royal Commission on Taxation and presented in revised form in the companion study (Number 26) entitled Who Benefits and Who Pays provide overall data on the incidence of the more important direct tax changes resulting from the Commission's recommendations and attributable to resident individuals. However, these estimates do not provide sufficient data to enable an analyst to examine the economic effects of these changes. To analyze the effect of these changes upon decisions made by resident individuals, it is necessary to examine their impact on the taxation of income accrued by (or currently attributable to) these individuals from different sources. The purpose of this monograph is to present such estimates of "economic incidence", based upon data obtained from tax returns filed for 1964.

Throughout this monograph, current taxes are defined in accordance with income tax law enacted as of December 31, 1966, as modified by the change in old age security tax announced in the Supplementary Budget of December 19, 1966.

The importance and implications of these estimates have been discussed in Chapter 37 of the Report, and need only be outlined here. The primary purpose of the estimates presented in this study is to provide basic data needed for an examination of the effects of tax changes which would result from implementation of the tax reforms proposed by the Commission on the average rates of return earned by various types of economic activity—whether involving investments of monetary capital or

investments of human capital. These estimates were not available in time to be incorporated into the text of Chapter 37, so that quantitative discussions in the Report of the effect of changes in the effect of average and marginal rates of tax on different components of income had to be based on the examples generated for employment and corporate source income in appendices to Volumes 3 and 4 of the Report. Such estimates are provided in this study to provide data for further quantitative analysis of the likely effect of the Commission's reforms on asset prices and on the allocation of capital and labour effort.

The data, assumptions, and analyses underlying these estimates have also been described elsewhere. 1/ The estimates are derived from an analysis of a sample of 411,500 tax returns. 2/ Such a large sample was used because of the high degree of heterogeneity among individual taxpayers with respect to the composition of assessable income, and because of the similarly high degree of non-linearity in the relationship between components of income accrued by individuals and the corresponding components of assessable income currently reported. The tax returns were classified into 19,370 groups according to income, age, sex, occupation, family status, number of dependants, and tax-paying status when the return was filed in 1964. The changes in taxable income, resultant changes in gross taxes, and changes in tax credits which resulted from the more important proposals of the Commission were then estimated for the average individual in each of these groups. Taxes under the Commission's proposals were calculated simply by applying the proposed rate schedules to the comprehensive base taxable income estimated for the average individual in each group of tax returns and

then deducting the amount of tax credits estimated to be applicable to that individual. Aggregate estimates were obtained by multiplying the results obtained for such average individuals by the number of resident individuals in the corresponding group, and then summing over groups. 3/

Definition of Direct Tax Changes Estimated

As in the Commission's Report, the term "direct taxes" is used to include corporation income taxes, personal income taxes, and gift and estate taxes. It is necessary to consider all three taxes together, for the Commission's proposals would abolish gift and estate taxes and move their impact into personal income taxes, while the integration of personal and corporation income taxes would make it impossible to obtain meaningful comparisons of the incidence of each separate tax under the current tax system and under the Commission's proposals. 4/

A total of 32 major reforms proposed by the Commission which affected the direct taxation of resident individuals were evaluated in the analysis presented in this study; these reforms are listed in Table 1. The reforms listed in Table 1 are described in more detail in Chapter 35 of the Report. 5/ With three exceptions (described below), all major proposed changes in direct taxes are reflected in the estimates presented in this study.

The 32 reforms listed in Table 1 do not include two important proposed changes which have been ignored in all incidence calculations because of the lack of underlying data needed to estimate their effects for particular taxpayers. One excluded change, the income-averaging provisions recommended by the Royal Commission on Taxation, would result

TABLE 1LIST OF REFORMS EVALUATED IN ESTIMATING
CHANGES IN EFFECTIVE TAX RATESChanges in Tax Rates

1. Lowering the rate schedule for all taxpayers to the proposed schedule for individuals.
2. Additional reduction in the rate schedule for families.
3. Use of a tax credit rather than an exemption to allow for the first child in each family.
4. Use of credits rather than exemptions to allow for additional dependent children.

Taxation of the Family as a Unit

5. Effect of elimination of taxes on transfers of wealth between members of a family unit.

Changes in the Taxation of Corporate Source Income

6. Integration of corporation and personal income taxes (excluding the effect of bringing unreported dividends into the tax base).
7. Widening the corporation tax base.
8. Taxation of capital gains and allowance of capital losses on corporate stock.
9. Disallowance of shareholder depletion deductions.
10. Deferment of taxes on cash distributions out of untaxed surplus.
11. Inclusion of unreported dividends.

Changes in the Taxation of Other Business and Property Income

12. Taxation of capital gains and allowance of capital losses of unincorporated businesses.
13. Acceleration of capital cost allowances for unincorporated businesses.
14. Extension of loss carry-over provisions for unincorporated businesses.

15. Extension of reporting controls to bring unreported interest into the tax base.
16. Attribution of life insurance policyholder investment income.
17. Attribution of participating dividends paid by credit unions, co-operatives and mutual life insurance companies.
18. Taxation of non-business capital gains and allowance of non-business capital losses.

Changes in the Taxation of Employment Income

19. Liberalization of the definition of deductible employment expenses.
20. Optional standard expense allowance.
21. Attribution of employee benefits.
22. Working mother credit.
23. Deductibility of unemployment insurance.

Other Changes Resulting from Adoption of the Comprehensive Tax Base

24. Inclusion of gifts and bequests.
25. Inclusion of family allowances.

Changes in Concessionary Allowances

26. Elimination of the old age exemption.
27. Changed definition of medical expenses.
28. Improvements in the control of charitable donations.
29. Change in the standard deduction.
30. Provision of additional educational allowances in the form of tax credit.
31. Allowance of credits rather than exemptions for dependants other than dependent children.
32. Extension of tax credits to dependants not now eligible for exemptions.

in a lowering of taxes for a number of taxpayers. The other excluded change, the aggregation of taxpayers into family units as described in Chapter 10 of the Report, would raise taxes for some taxpayers and lower them for others. The net aggregate effect of both changes combined has been estimated as a net reduction of \$15 million in tax revenue. 6/ In this respect, the definition of direct taxes allocated over individuals is the same as in the incidence estimates presented in Study 26 (Who Benefits and Who Pays) and Study 29 (Components of Taxable Income for Resident Individuals).

The allocation of taxes to individuals which underlies the estimates reported in this study excludes the effect of one additional important reform: namely, the effect of the deferment of tax on income accumulated in Registered Retirement Income Plans. The effect of this deferment has not been included, in part because the income from which it arises is not included in the definition of total income used in this study, and in part because (unlike the effect of concessionary allowances) it can not properly be prorated over all other sources of income. In this respect, the estimates of total direct taxes presented in this study accord with those presented in Study 29, but not with those in Study 26. As estimated in the Report of the Royal Commission on Taxation, the aggregate effect of this deferment is to reduce taxes eventually if not currently attributable to resident individuals by \$50 million. 7/

The total amount of direct taxes allocated in this study to different components of income accrued by resident individuals is

\$3,715 million under the current (1967) tax system, and \$3,695 million under the Commission's recommendations.

A summary of the estimated tax changes for resident individuals in each income class is presented in Table 2. The income classes are defined in Table 3. The total direct taxes displayed in Table 2 and used as the basis for tax burden analyses in this study are estimates of the revenue yield of the current tax system as defined under the tax law and proposed amendments thereto existing as of December 31, 1966, and of what the recommended tax system would have raised from resident individuals and their agents in 1964, had it been previously in force so that transitional effects could be ignored. This definition of taxes as including only the long-term effects of the proposals of the Royal Commission on Taxation is consistent with the analyses presented in Chapters 35 and 36 of the Report and in Studies 25, 26 and 29. An estimate of total revenue loss resulting from transitional effects is presented in Table 35-16 in Volume 6 of the Report. 8/

The estimates presented in this study have been computed using double-precision arithmetic for the aggregation of results computed for each group of tax returns, while those presented in Studies 25, 26 and 29 have been computed in single-precision arithmetic. The estimates provided in this study are marginally more accurate; the additional accuracy can be measured by comparing Table 2 with Table H-5 in Appendix H to Study 25 (A General Income Tax Analyzer).

TABLE 2

SUMMARY OF TAX CHANGES ESTIMATED
FOR ALL RESIDENT INDIVIDUALS WHO
FILED TAX RETURNS IN 1964

INCOME CLASS	NUMBER OF DATA RECORDS	NUMBER OF TAX UNITS	TAXABLE INCOME CURRENT	TAXABLE INCOME PROPOSED	PERSONAL CURRENT	INCOME TAX PROPOSED	TOTAL DIRECT TAXES CURRENT	TOTAL DIRECT TAXES PROPOSED
1	994	755445	-486150.2	364794.0	918.7	-10163.7	9312.6	314.3
2	1694	874179	93364.0	1268961.6	32411.6	5540.1	44052.0	19132.1
3	1619	1129374	882539.3	2728186.1	138021.1	103163.7	158461.2	125564.5
4	1482	1116119	1647129.0	3813394.0	260170.7	217954.2	281587.5	241110.6
5	1272	1003708	2105957.9	4450942.4	347936.3	306725.2	376894.4	338716.0
6	1066	632793	1718747.6	3425352.6	297526.0	271730.0	323990.8	301271.2
7	1642	649670	2449111.2	4394503.8	456550.2	413273.9	502855.1	464008.5
8	1252	225262	1185680.1	1996583.1	240170.9	216586.7	279339.1	259064.4
9	776	84375	517231.9	930031.9	106816.3	101651.1	145264.6	141645.2
10	1181	85157	642097.7	1149433.5	138495.0	139447.2	192600.3	192553.8
11	1406	64976	621344.6	1121834.5	144054.5	144199.0	210686.7	213612.8
12	786	29410	349321.9	654982.7	88064.9	86004.9	137843.3	140642.0
13	951	29726	452843.2	856977.9	127520.7	124842.8	202266.7	208368.6
14	1015	19183	372702.1	798105.2	113036.3	123231.4	208257.7	231135.7
15	802	10663	283930.8	636750.6	95044.5	111204.3	182113.1	212083.7
16	398	3912	139882.1	337797.3	51039.4	68007.7	102383.9	126613.1
17	421	3039	137434.2	362415.7	52543.9	76683.9	114339.6	148148.0
18	206	981	56973.4	168240.6	22609.4	35803.0	54621.3	73384.1
19	170	848	60593.6	200820.5	24911.8	41854.3	66645.2	91342.4
20	237	625	84201.9	345530.8	38389.2	65416.5	121098.6	165969.1
TOTAL	19370	6719445	13314935.7	30005638.0	2776231.2	2643156.1	3714613.5	3694680.0

TABLE 3

CLASSIFICATION OF TAXPAYERS BY INCOME

<u>Class</u>	<u>Income</u>
1	Less than \$1,000
2	1,000 - 1,999
3	2,000 - 2,999
4	3,000 - 3,999
5	4,000 - 4,999
6	5,000 - 5,999
7	6,000 - 7,999
8	8,000 - 9,999
9	10,000 - 11,999
10	12,000 - 14,999
11	15,000 - 19,999
12	20,000 - 24,999
13	25,000 - 34,999
14	35,000 - 49,999
15	50,000 - 74,999
16	75,000 - 99,999
17	100,000 - 149,999
18	150,000 - 199,999
19	200,000 - 299,999
20	300,000 or more

Note: Income is defined as comprehensive income less proposed concessionary allowances; this definition of income for classificatory purposes is identical with that used in the Commission's Report and in Studies 25, 26, and 29. This definition is used rather than one based on total accrued income in order to reduce within-class differences in the estimated effects of the Commission's proposals; cf. reference 1 to Chapter 36 of the Report.

Definition of Accrued Income

Consistent with what has just been said concerning the allocation of direct taxes to individuals, income has been defined to exclude income accumulated on behalf of resident individuals in Registered Retirement Income Plans. This income has been excluded because it is not attributed to individuals until paid out as retirement income. Certain other forms of income (such as investment income attributable to life insurance policyholders) are assumed to be currently attributable to resident individuals to whom they are allocated. In this regard, the definition of income is the same as the definition of assessable income under the comprehensive tax base proposed by the Royal Commission on Taxation, and is the same as that used in Study 29. 9/

Because it is desired to show tax changes relative to total income accrued by individuals rather than relative to individuals' comprehensive-base taxable income, the notion of "income" used in this study differs from that used in Studies 25, 26, and 29. Specifically, income in this study has been defined to include categories of income on which tax would be deferred or avoided under both the current (1967) tax system and that proposed by the Royal Commission on Taxation. The relationship between income assessable under the Commission's proposals in 1964 and total income accrued by resident individuals who filed tax returns in 1964 is shown in Table 4.

It should be emphasized that all estimates of total income presented in this study are of totals for all resident individuals who filed tax returns in 1964 and so exclude income received by individuals who did not file returns. As a result, the incidence estimates presented

TABLE 4

RELATIONSHIP BETWEEN CURRENTLY ASSESSABLE INCOME, INCOME ASSESSABLE UNDER THE COMMISSION'S RECOMMENDATIONS; AND TOTAL ACCRUED INCOME FOR ALL RESIDENT INDIVIDUALS WHO FILED TAX RETURNS IN 1964
(millions of dollars)

Income assessable under current (1967) tax law		27,050
Recommended changes in the tax base:		
Income currently taxed at corporate level which would be added to the personal income tax base as a result of integration	1,465	
Gifts and bequests from outside the family unit, currently partly taxed to donors	1,200	
Income currently not taxed	<u>2,728</u>	
	5,393	
Less: additional deductions to be allowed	<u>856</u>	<u>4,537</u>
INCOME ASSESSABLE UNDER THE COMMISSION'S PROPOSALS		31,587
Additional accrued income not taxable to the individual under the Commission's proposals:		
Corporate income on which tax would be deferred:		
Difference between capital cost allowances claimed and reported depreciation	129	
Effect of incentives proposed by the Commission for companies in the extractive industries	14	
Effect of proposed incentives for new and small corporations	73	
Other corporate retained income on which tax would be deferred	<u>51</u>	266
Unallocated corporate retentions of taxed income		44
Income of unincorporated businesses on which tax would be deferred:		
Current deferments	120	
Additional proposed deferments	<u>56</u>	176
Unrealized accrued goodwill gains:		
On common stock	212	
On assets of unincorporated businesses	95	
On real estate	69	
On fixed-income securities	<u>26</u>	<u>402</u>
TOTAL INCOME ACCRUED BY RESIDENT INDIVIDUALS WHO FILED TAX RETURNS IN 1964		<u>32,475</u>

Note: Income under all headings is shown net of expenses incurred in the obtaining of that income. Elements of corporate source income accrued at the corporate level are shown as the shares of the totals accrued by corporations which are attributable to resident individuals owning shares in Canadian companies. Corporate income on which tax is deferred is shown net of dividends which are paid out of untaxed surplus arising from such deferments and which are realized for tax purposes because of the disposition of shares; the effect of such realization of otherwise-untaxed dividends is prorated over the elements of corporate income on which deferments arise.

Source: Estimated total income assessable under the Commission's recommendations is obtained from J. Bossons, *A General Income Tax Analyzer*, Table 7 and Appendix H. Elements of additional accrued income not included in income assessable to individuals under the Commission's proposals are estimated as indicated in lines 2370 through 2540 of the listing of subrouting BASADJ presented in *A General Income Tax Analyzer*, Appendix A.

in this study and in Studies 26 and 29 exclude certain classes of people and certain types of income. In particular, welfare payments of material importance primarily for individuals not filing returns are excluded.

The relationship between accrued income, total income assessable under the current and proposed tax systems, and taxable income as defined under each tax system is shown in Table 5. This table serves as a basis for identifying the components for which major differences exist between taxable income or rather assessable income under current tax law and under the Commission's proposals and on the other hand between the comprehensive tax base as defined by the Commission and accrued income for each income component. As the table indicates, total accrued labour income is less than taxed labour income under the current tax law in spite of the attribution of currently untaxed benefits to employees, self-employed professionals, and unincorporated businessmen. The reason for this is the restricted deductibility of expenses accrued in the obtaining of labour income under the current tax law. All other categories of income are substantially greater when measured on an accrual basis than when defined in accordance with what can be assessed under the current tax system. Moreover, there are significant forms of income in each of these components on which taxes would be deferred even under the comprehensive tax base, as indicated earlier in Table 4. These forms of income may be identified by comparing columns 1 and 3 of Table 5.

It should be noted that certain types of income are shown as identical amounts on both an accrual basis and an assessable income basis, even though these components include income on which deferments are possible

TABLE 5

RELATIONSHIP BETWEEN ACCRUED INCOME, ASSESSABLE INCOME,
AND TAXABLE INCOME UNDER CURRENT (1967) TAX LAW
AND THE COMMISSION'S PROPOSALS FOR RESIDENT
INDIVIDUALS WHO FILED TAX RETURNS IN 1964
(millions of dollars)

Income source	Accrued Income	Taxed income	
		Under current tax law	Under the Commis- sion's proposals
1. Wages and salaries	22,383	22,383	22,383
2. Employment expense deductions	(804)	(31)	(804)
3. Professional income	686	686	686
4. Commission income	411	411	411
5. Attributable benefits	530	—	530
6. Farming and fishing income	601	601	601
Total labour income	23,808	24,050	23,808
7. Dividends from resident companies	471	446	443
8. Retained corporate income	1,898	—	1,616
9. Capital gains on common stocks	683	—	471
Total corporate source income	3,052	446	2,530
10. Unincorporated business income	1,449	1,186	1,177
Total business income	4,501	1,632	3,708
11. Rental income	274	137	206
12. Other Canadian investment income	1,647	770	1,647
13. Non-business capital gains	113	—	87
14. Foreign investment income	40	40	40
15. Deductions from investment income	(31)	(31)	(31)
Total other investment income	2,043	917	1,949
16. Gifts and bequests	1,200	—	1,200
17. Transfer payments received	834	363	834
18. Insurance proceeds	—	—	—
19. Alimony received	19	19	19
20. Miscellaneous income	68	68	68
Total other income	2,122	451	2,122
TOTAL ASSESSABLE INCOME		27,050	31,587
Less: Concessionary allowances		2,178	1,581
Family exemptions		11,557	—
		13,735	1,581
TOTAL TAXABLE INCOME		13,315	30,005

Note: The figures shown in this table are obtained from Table 6 and from Appendix L to J. Bossons, *A General Income Tax Analyzer*. Negative figures are enclosed in parentheses. Some figures do not add to totals because of rounding.

under both the current tax law and the proposed comprehensive tax base. These areas are notably foreign investment income (item 14) and insurance proceeds (item 18), the latter being excluded from the comprehensive tax base under the Commission's recommendations even though recommended for possible subsequent inclusion. Certain components of income (such as farming and fishing income) are also shown on the same basis for all types of income because differences are not material in the aggregate. With one exception (foreign investment income), all the sources of deviations between assessable and accrued income that are important from the point of view of the allocation of human and monetary resources are included; differences for foreign investment income have been ignored because of difficulties of estimation. In any case, the tax changes suggested by the Report are relatively minor for most categories of foreign investment income directly received by individuals.

It must be emphasized that the definition of accrued income used in this study and reflected in Tables 4 and 5 is of total monetary income accrued by resident individuals. By defining accrued income in this monetary sense, that is, as total accrued net change in financial wealth before consumption, various forms of income included in the National Accounts are excluded in spite of the fact that they reflect "real" income and output of individuals. Because such income (which would have to be imputed to recipients, as is done in computing national income) is not affected as a result of the Commission's recommended introduction of the comprehensive tax base, its omission is not of material significance for the purpose of this study. 10/

The existence of imputed income not included in the definition of accrued income reflected in Tables 4 and 5 has the following effects:

(1) Accrued income as defined for this study does not include such imputations, and so does not correspond to the share of national income defined on an accrual basis which is allocable to resident individuals filing tax returns. (2) Evaluations of the effects of the Commission's proposals on allocation of human and monetary capital which can be derived from the estimates presented in this study are limited essentially to the allocation of resources which are presently valued in market terms.

Estimates of the total accrued income attributable to resident individuals in each income class are presented in Table 6, for income classes defined as in Table 3. This table provides summary data on the distribution over income classes of each type of income shown in Table 5.

Description of Estimates

The estimates presented in this study are organized into seven self-contained units, presented as appendices to this monograph. Three of these appendices provide data for 20 income components defined so as to show the effect of reforms affecting particular types of income; these income components are the same as those shown in Tables 5 and 6 above. Another three appendices provide data for seven more aggregated components of income, defined so as to approximate major categories of income earned through personal labour or from investments. The seventh appendix provides supplementary estimates for a particular type of corporate source income. In virtually all cases, data is provided for resident individuals classified by comprehensive-base taxable income; the income classification is defined in Table 3.

Appendices A, B and E provide data for the 20 income source types defined so as to show the effect of reforms affecting particular types of

TABLE 6

TOTAL INCOME ACCRUED BY RESIDENT INDIVIDUALS IN EACH
INCOME CLASS WHO FILED TAX RETURNS IN 1964
(thousands of dollars)

	INCOME CLASS	1	2	3	4	5	6	7
1.	WAGES AND SALARIES	414421.	1150976.	2365873.	3448601.	4059688.	3044088.	3768370.
2.	EMPLOYMENT EXPENSE DEDUCTIONS	-17680.	-46713.	-91881.	-130378.	-147172.	-106947.	-129373.
3.	PROFESSIONAL INCOME	565.	3324.	7785.	11578.	9478.	10247.	24216.
4.	COMMISSION INCOME	1988.	7209.	18407.	30924.	41276.	41517.	64132.
5.	ATTRIBUTABLE BENEFITS	5714.	3939.	32547.	75843.	87851.	67283.	87301.
6.	FARMING AND FISHING INCOME	-21067.	39227.	110872.	86234.	84298.	60021.	80458.
	TOTAL, LABOR INCOME	383942.	1157961.	2443603.	3522802.	4135418.	3116209.	3895105.
7.	DIVIDENDS FROM RESIDENT COMPANIES							
8.	OTHER CORPORATE INCOME	4868.	6315.	10407.	10758.	14863.	13725.	23571.
9.	CAPITAL GAINS ON EQUITY INVESTMENTS	18730.	24297.	40044.	41394.	57186.	52808.	90693.
	TOTAL, CORPORATE INCOME	7059.	9157.	15091.	15600.	21551.	19901.	34178.
	TOTAL, CORPORATE INCOME	30657.	39768.	65542.	67752.	93601.	86433.	148443.
10.	UNINCORPORATED BUSINESS INCOME							
	TOTAL, BUSINESS INCOME	-23750.	57249.	131538.	197269.	162504.	138263.	199510.
	TOTAL, BUSINESS INCOME	6908.	97017.	197080.	265021.	256105.	224697.	347953.
11.	RENTAL INCOME							
12.	OTHER CANADIAN INVESTMENT INCOME	-13956.	5287.	16268.	14010.	19312.	17555.	28785.
13.	NON-BUSINESS CAPITAL GAINS	11612.	31912.	81087.	110323.	165230.	150982.	228978.
14.	FOREIGN INVESTMENT INCOME	930.	2566.	6472.	7203.	8827.	7658.	11589.
15.	DEDUCTIONS FROM INVESTMENT INCOME	39.	172.	432.	454.	875.	839.	1302.
	TOTAL, OTHER INVESTMENT INCOME	-62.	-109.	-185.	-310.	-538.	-452.	-1458.
	TOTAL, OTHER INVESTMENT INCOME	-1437.	39828.	104074.	131681.	193706.	176582.	269195.
16.	GIFTS AND BEQUESTS							
17.	TRANSFER PAYMENTS RECEIVED	4921.	13425.	33861.	37688.	46418.	42904.	83120.
18.	INSURANCE PROCEEDS	10782.	48631.	129223.	127961.	151840.	115736.	118078.
19.	ALIMONY RECEIVED	0.	0.	0.	0.	0.	0.	0.
20.	MISCELLANEOUS INCOME	255.	1220.	2278.	4386.	3280.	3055.	1868.
	TOTAL, OTHER INCOME	-16418.	-7912.	-3636.	-3960.	-1149.	2009.	8007.
	TOTAL, OTHER INCOME	-459.	55364.	161727.	166074.	200390.	163704.	211072.
	TOTAL INCOME	388953.	1350171.	2906483.	4085578.	4785618.	3681191.	4723325.

TABLE 6 (continued)

	INCOME CLASS	8	9	10	11	12	13	14
1.	WAGES AND SALARIES	1508327.	550468.	610294.	488998.	223062.	253410.	181167.
2.	EMPLOYMENT EXPENSE DEDUCTIONS	-50513.	-17881.	-19711.	-15504.	-7132.	-8277.	-5971.
3.	PROFESSIONAL INCOME	27675.	15244.	46162.	79824.	70266.	132851.	111698.
4.	COMMISSION INCOME	46656.	25024.	36241.	35315.	16743.	19766.	11101.
5.	ATTRIBUTABLE BENEFITS	39686.	16934.	25274.	28085.	15210.	19021.	12342.
6.	FARMING AND FISHING INCOME	51328.	23371.	34527.	26363.	12225.	7794.	4195.
	TOTAL, LABOR INCOME	1623159.	613160.	732789.	643080.	330373.	424566.	314531.
7.	DIVIDENDS FROM RESIDENT COMPANIES	19735.	18581.	24673.	32250.	25384.	38764.	48802.
8.	OTHER CORPORATE INCOME	75933.	71493.	94933.	124083.	97669.	149353.	194272.
9.	CAPITAL GAINS ON EQUITY INVESTMENTS	28616.	26943.	35776.	46762.	36808.	56208.	70763.
	TOTAL, CORPORATE INCOME	124284.	117017.	155382.	203095.	159861.	244326.	313838.
10.	UNINCORPORATED BUSINESS INCOME	132279.	74441.	99922.	106969.	56882.	51225.	27727.
	TOTAL, BUSINESS INCOME	256563.	191458.	255304.	310064.	216743.	295551.	341565.
11.	RENTAL INCOME	22389.	16498.	17507.	23263.	14938.	21700.	20820.
12.	OTHER CANADIAN INVESTMENT INCOME	130311.	87659.	101861.	105897.	69932.	86396.	82357.
13.	NON-BUSINESS CAPITAL GAINS	7187.	6014.	6894.	7586.	5394.	6680.	7073.
14.	FOREIGN INVESTMENT INCOME	1244.	1267.	1764.	2666.	1836.	3060.	3999.
15.	DEDUCTIONS FROM INVESTMENT INCOME	-1112.	-1050.	-1524.	-2386.	-1990.	-3237.	-3839.
	TOTAL, OTHER INVESTMENT INCOME	160019.	110387.	126503.	137026.	90110.	114599.	110411.
16.	GIFTS AND BEQUESTS	67575.	70211.	113345.	116499.	71332.	96984.	108950.
17.	TRANSFER PAYMENTS RECEIVED	44895.	21990.	20085.	16516.	8131.	7997.	5926.
18.	INSURANCE PROCEEDS	0.	0.	0.	0.	0.	0.	0.
19.	ALIMONY RECEIVED	972.	97.	314.	441.	71.	384.	155.
20.	MISCELLANEOUS INCOME	5464.	6126.	5850.	8651.	7437.	10506.	10002.
	TOTAL, OTHER INCOME	118905.	98424.	139594.	142107.	86972.	115871.	125033.
	TOTAL INCOME	2158645.	1013429.	1254190.	1232277.	724197.	950586.	891540.

TABLE 6 (continued)

INCOME CLASS		15	16	17	18	19	20	TOTAL
1.	WAGES AND SALARIES	144701.	53673.	58759.	20757.	19777.	17554.	22382963.
2.	EMPLOYMENT EXPENSE DEDUCTIONS	-4733.	-1548.	-1459.	-411.	-331.	-243.	-803860.
3.	PROFESSIONAL INCOME	64260.	38850.	19311.	6677.	4318.	2113.	686443.
4.	COMMISSION INCOME	6237.	4549.	2510.	611.	496.	195.	410899.
5.	ATTRIBUTABLE BENEFITS	7668.	2593.	1942.	518.	426.	266.	530443.
6.	FARMING AND FISHING INCOME	773.	216.	321.	54.	37.	-77.	601171.
	TOTAL, LABOR INCOME	218906.	98334.	81385.	28207.	24724.	19808.	23808057.
7.	DIVIDENDS FROM RESIDENT COMPANIES	45137.	25112.	29916.	15721.	20702.	42064.	471353.
8.	OTHER CORPORATE INCOME	182131.	106963.	131166.	68988.	90846.	184585.	1897567.
9.	CAPITAL GAINS ON EQUITY INVESTMENTS	65449.	36413.	43378.	22796.	30019.	60993.	683462.
	TOTAL, CORPORATE INCOME	292718.	168488.	204461.	107505.	141567.	287643.	30523381.
10.	UNINCORPORATED BUSINESS INCOME	15424.	5815.	8852.	2305.	3272.	1323.	1449020.
	TOTAL, BUSINESS INCOME	308142.	174303.	213312.	109810.	144839.	288966.	4501401.
11.	RENTAL INCOME	18984.	10088.	10991.	4507.	3322.	2064.	274331.
12.	OTHER CANADIAN INVESTMENT INCOME	63772.	34181.	36354.	17078.	19748.	31707.	1647377.
13.	NON-BUSINESS CAPITAL GAINS	5707.	3337.	3740.	1843.	2209.	3739.	112648.
14.	FOREIGN INVESTMENT INCOME	4168.	2658.	3625.	2259.	2432.	4759.	39851.
15.	DEDUCTIONS FROM INVESTMENT INCOME	-3903.	-1887.	-2043.	-982.	-1309.	-2518.	-30896.
	TOTAL, OTHER INVESTMENT INCOME	88728.	48376.	52666.	24706.	26401.	39750.	2043309.
16.	GIFTS AND BEQUESTS	85300.	51996.	55245.	25328.	29990.	44987.	1200080.
17.	TRANSFER PAYMENTS RECEIVED	3134.	1407.	1080.	302.	364.	289.	834366.
18.	INSURANCE PROCEEDS	0.	0.	0.	0.	0.	0.	0.
19.	ALIMONY RECEIVED	127.	94.	64.	5.	0.	0.	19066.
20.	MISCELLANEOUS INCOME	10403.	5227.	6585.	3183.	4154.	7916.	68446.
	TOTAL, OTHER INCOME	98964.	58723.	62974.	28818.	34508.	53192.	2121957.
	TOTAL INCOME	714740.	379737.	410338.	191541.	230471.	401717.	32474723.

income. Appendix A simply provides data for all resident individuals on the current tax status of amounts which would be added to the personal income tax base from different income sources as a result of the Commission's recommendations. Two other appendices (Appendices B and E) present data on average and marginal tax rates under the current and proposed tax systems on each type of income defined in Appendix A for resident individuals classified by the income classes defined in Table 3. Estimates of the income accrued from each source by resident individuals in each income class are presented in Table 6.

Appendices C, D, and F provide data for seven major components of income closely approximating income from Canadian sources arising from major types of economic decisions made with regard to work effort and asset composition by individuals. The relationship between the seven income components used in Appendices C, D, and F and the 20 income categories used in Appendices A, B, and E is shown in Table 7. As this table indicates, the totals shown for these seven components account for almost 94 per cent of total income accrued by all individuals. Resident individuals are classified in more detail in Appendices C, D, and F; not only are they classified by income class as defined in Table 3, they also are classified into groups reflecting the importance of the particular income source to each individual. 11/ The reason for this latter classification is to reflect the likely lesser effect of given tax changes on a particular income source which is relatively unimportant to the recipient. Appendix C contains estimates of total (comprehensive) income from each source component received by or attributable to resident individuals in each income and source importance class; Appendices D and F present estimates of average tax rates and average marginal tax rates on this income.

TABLE 7

RELATIONSHIP BETWEEN INCOME SOURCES
DEFINED IN DIFFERENT APPENDICES
(millions of dollars)

<u>Income Source Types as Defined in Appendices A, B, and E</u>	<u>1964 Total</u>	<u>Income Source Categories as Defined in Appendices C, D, and F</u>	<u>1964 Total</u>
1. Wages and salaries	22,383		
2. Employment expense deductions	(804)	I. Income from employment	21,973
3. Professional income	686		
4. Commission income	411	II. Income from self-employment	1,185
5. Attributable benefits	530		
6. Farming and fishing income	601	III. Income from farming and fishing	635
7. Dividends from resident companies	471		
8. Retained corporate income	1,898	IV. Unincorporated business income	1,502
9. Capital gains on common stocks	683	V. Corporate source income	3,047
10. Unincorporated business income	1,449		
11. Rental income	274		
12. Other Canadian investment income	1,647	VI. Fixed investment income currently reported	740
13. Non-business capital gains	113		
14. Foreign investment income	40	VII. Other Canadian investment income	1,285
15. Deductions from investment income	(31)		
16. Gifts and bequests	1,200		
17. Transfer payments received	834		
18. Insurance proceeds	—		
19. Alimony received	19		
20. Miscellaneous income	68		
TOTAL	<u>32,475</u>	TOTAL	<u>30,367</u>

Note: Income category I is drawn from income types 1, 2, and 5; category II from types 3, 4, and 5; category III from type 6; category IV from types 5 and 10; category V from types 7, 8, and 9; category VI from types 12 and 15; category VII from types 11, 12, 13, and 15. Totals shown for income categories are not strictly comparable to totals shown for income source types since individuals with non-positive total assessable income are excluded from the tabulations shown in Appendices C, D, and F. Total income shown as arising in certain categories for this subset of individuals may thus be greater than the corresponding total obtained from the data shown in the left-hand side of the table for all resident individuals who filed tax returns. Some figures do not add up to totals because of rounding. Negative figures are enclosed in parentheses.

Appendix G presents data similar to that in Appendices D and F for income derived from different types of corporations. Because the additional allocation assumptions underlying the data in this appendix are less reliable than those used to generate the estimates presented in the first six appendices, the results presented in Appendix G should be used with some caution.

REFERENCES

- 1/ The changes in direct taxes analyzed in the study have been described in Chapter 35 of the Report; the assumptions underlying estimates of the effects of these changes have been stated in general terms in Appendix A to Volume 6 of the Report and are defined precisely in J. Bossons, A General Income Tax Analyzer (Study 25 published by the Royal Commission on Taxation). The computer program and data used in making these estimates have been described in A General Income Tax Analyzer.
- 2/ The sample consisted of unidentified tax returns for 1964 supplied by the Department of National Revenue to the Royal Commission on Taxation. The sample is the same as that used to produce the data presented in 1966 Taxation Statistics: Part 1, (Queen's Printer, 1966) and is described in ibid., page 97. The classification and processing of the samples is described in Chapter 3 and Appendix B of A General Income Tax Analyzer.
- 3/ The number of resident individuals falling in each group was estimated by summing the reciprocals of the sampling rates governing the selection of each tax return falling within the group. Details on the calculation and aggregation of estimates obtained from each tax return group are provided by the program listings presented in Appendix A of A General Income Tax Analyzer.
- 4/ This is obviously not to say that it is not important in the case of changes in the corporation income tax to examine separately the resultant changes in corporate income and cash flow. Estimates of these changes are presented in Tables 37-2 and 37-3 of the Report. Such changes will affect corporate investments in real assets both because of their effects on the availability of internal funds and because of their effects on variables other than profits accrued by stockholders which may be included in managerial objective functions. The point of the statement in the text is to say that the effect of the Commission's proposals on after-tax income accrued by a shareholder can be measured only by taking account of the combined change in both personal and corporation income taxes.
- 5/ One of the Commission's proposals (number 10 in the list presented in Table 1) was not evaluated in Chapter 35 of the Report, but is included explicitly in the estimates presented in this study and in Studies 25, 26, and 29 because of its material effect on the changes in taxes on corporate source income. In making the estimates presented in Chapter 35 of the Report, it was assumed that there would be no net deferment of tax on distributions out of untaxed surplus; cf. Note 22 in Appendix A to Volume 6. The effect on total tax revenues of the deferment is in any case relatively minor; as shown in Table 9 of A General Income Tax Analyzer, the total estimated effect on revenue of this deferment is only \$9 million. The tax deferment arises because under the Commission's recommendations cash distributions out of untaxed surplus would be regarded as a "return of capital" (thus resulting

merely in a reduction of the cost basis of the recipient's shares) rather than as a taxable partial realization of accrued goodwill gains. Such cash distributions would consequently be subject to tax only on final disposition of the shares.

- 6/ See Chapter 35 of the Report, Table 35-13.
- 7/ Cf. Note 20 in Appendix A of Volume 6 of the Report and the discussion in Volume 6, page 27.
- 8/ As has been noted above, this total excludes the effect of several recommendations. Estimates of the effects of these excluded reforms are presented in Table 35-13 of the Report and in Table 9 of A General Income Tax Analyzer.
- 9/ It should be noted that the estimates of taxable income used in this monograph and in Studies 25, 26, and 29 differ in several respects from those presented in Chapter 35 of the Report. The major changes in these estimates arise from more accurate assumptions made in the studies with respect to the attribution of benefits, the effect of unreported dividends, the average lag in the realization of accrued goodwill gains, the relationship between allocated taxed corporate income and dividends, and the allocation of policyholder investment income. The effect of these changes in assumptions on the aggregate revenue yield and overall incidence of the proposed tax system is described in Chapter 3 of A General Income Tax Analyzer.
- 10/ The major categories of imputed income thus excluded are the rental income imputable to owner-occupied property and the value of farms output consumed by producers. For virtually all of these components of income, the nature of the necessary imputation process is identical to that of defining income consumed in the enjoyment of services from consumer durables. It is of course possible to measure the value of the services thus obtained in terms of their opportunity cost. However, since most individuals enjoying imputed income are presumably doing so because they are intermarginal with respect to the choice between that particular form of income and the form of monetary income which would be reflected in such opportunity costs, an opportunity cost definition of income does not very adequately measure the monetary value to recipients of the services enjoyed.
- 11/ It should be noted that individuals with non-positive total assessable income are excluded from the tabulations shown in Appendices C, D, and F; total income from each major source component as shown in Appendix C consequently differs from the totals shown for all residents in Appendices A and H.

ERRATA IN STUDY 25

Two errors in the computer programs listed in Appendix A to Study 25 were not caught prior to publication of the study. These errors do not affect results published in other studies, but had to be corrected to produce the output presented in this study. The errors are corrected by inserting the following cards in the place defined by the card numbers shown, and by removing all cards with the same numbers in the original version listed in Appendix A to Study 25. The following insertion is required in subroutine COMSET:

OBAS = BASE(4) + BASE(34) CMST1541

The following substitution is required in subroutine CSITAB:

DO 3001 J = 1,9 CSTB0420

In addition to these changes in the programs, some assumptions are incorrectly shown in the tables presented in Appendix C to Study 25. The correct assumption values are as follows:

<u>Table</u>	<u>Parameter Number</u>	<u>Correct Assumed Value</u>	<u>Value Shown</u>
C-1	94	\$80 million	\$60 million
C-3	54	1.9748	1.764
C-3	88	0.05	0.2

The incorrect value shown for assumption 94 in Table C-1 does not affect results presented in other studies. The two erroneous values in Table C-3 are inconsistent with the corresponding values shown in Table C-1; the purpose of this correction is to indicate that the Table C-1 values are correct.

APPENDIX A

CURRENT TAX TREATMENT OF COMPONENTS OF THE COMPREHENSIVE TAX BASE

The purpose of this appendix is to provide estimates showing the source of changes in each component of the comprehensive tax base for all resident individuals who filed tax returns in 1964. In so doing it provides further documentation for Table 35-8 in Chapter 35 of the Report. These estimates are presented in Table A-1 on the same basis as Table 35-8 and in Table A-2 on a basis consistent with the estimates presented in Studies 25 and 29.

As can be seen from these tables, the total comprehensive base for most income components is equal to the total current base plus the base now exempt from tax. The total current base is defined as the total base taxed in some form (and in some cases more than once) under the current tax system, and is in turn divided into base taxed at full personal rates, base taxed at corporate rates, and base now taxed at other rates. Because of the reduction in tax rates arising from the dividend tax credit, dividends are classified both under "corporate rates" and under "other rates". Some dividends are exempt from tax under "other rates" as a result of the offsetting of stockholder depletion deductions against certain dividends; as a result not all dividends are "double taxed". Gifts and bequests are also taxed under "other rates". The amount of gifts and bequests currently taxed in this manner is substantially larger than the amount included in the comprehensive tax base because of the exclusion of intra-family gifts from the proposed comprehensive base. The difference between the current and comprehensive tax base on gifts is not entered in the "exempt" column.

At the bottom of each table, total current taxes on each type of base are shown, along with effective tax rates. For comparison, total current taxes are also shown under the comprehensive base and an effective average rate of tax on comprehensive base computed. All computations relating to the preparation of these tables are described in detail in the programs listed in Appendix A of A General Income Tax Analyzer, Study 25 published by the Royal Commission on Taxation. The calculation of the numbers shown in the tables in this appendix from the basic tax and base changes estimated for each taxpayer is detailed in subroutines BASCOM and BASTAB.

A comparison of Table A-2 with Table A-1 provides a means of summarizing some of the salient differences between the revenue and incidence estimates presented in Volume 6 of the Commission's Report and those presented in this study and in Studies 25, 26, and 29. The reader is referred to Chapter 3 of A General Income Tax Analyzer (Study 25) for a detailed discussion of these differences. Among other things, it should be noted that all corporate income allocable to resident individuals in 1964 was allocated to individuals who filed tax returns in the calculations underlying Table A-1, thus ignoring certain amounts properly allocable to resident individuals who did not file tax returns in 1964. The estimates reported in Table A-2 reflect both (1) a better allocation of unreported accrued income between individuals who did and did not file tax returns and (2) an improved set of assumptions regarding the total amounts and incidence of elements of the current and comprehensive tax bases.

TABLE A-1

ESTIMATES OF THE CURRENT TAX TREATMENT OF COMPONENTS OF THE COMPREHENSIVE
TAX BASE CONSISTENT WITH THOSE PRESENTED IN THE REPORT

(dollars figures in thousands of dollars)

	Total Comprehensive Base	Base now Taxed at full Personal Rates	Base now Taxed at Corp Rates	Base now Taxed at Other Rates	Base now Exempt	Total Current Base
1. Wages and Salaries	22382917.	22382917.	0.	0.	0.	22382917.
2. Employment Expense Deductions	-802854.	-31072.	0.	0.	-771783.	-31072.
3. Professional Income	686442.	686442.	0.	0.	0.	686442.
4. Commission Income	410899.	410899.	0.	0.	0.	410899.
5. Attributable Benefits	673636.	0.	0.	0.	673636.	0.
6. Farming and Fishing Income	601171.	601171.	0.	0.	0.	601171.
Total, Labor Income	23952209.	24050356.	0.	0.	-98147.	24050356.
7. Dividends from Resident Companies	450657.	0.	450657.	446340.	0.	450657.
8. Other Corporate Income	1713671.	0.	1533688.	0.	179983.	1533688.
9. Capital Gains on Equity Investments	450657.	0.	0.	0.	450657.	0.
Total, Corporate Income	2614986.	0.	1984346.	446340.	630640.	1984346.
10. Unincorporated Business Income	1225345.	1186079.	0.	0.	39266.	1186079.
Total, Business Income	3840331.	1186079.	1984346.	446340.	669906.	3170425.
11. Rental Income	137165.	137165.	0.	0.	0.	137165.
12. Other Canadian Investment Income	1633842.	770479.	0.	0.	863363.	770479.
13. Non-business Capital Gains	249817.	0.	0.	0.	249817.	0.
14. Foreign Investment Income	39851.	39851.	0.	0.	0.	39851.
15. Deductions from Investment Income	-30896.	-30896.	0.	0.	-0.	-30896.
Total, other Investment Income	2029779.	916599.	0.	0.	1113180.	916599.
16. Gifts and Bequests	1199794.	0.	0.	2652720.	0.	2652720.
17. Transfer Payments Received	834364.	363091.	0.	0.	471273.	363091.
18. Insurance Proceeds	0.	0.	0.	0.	0.	0.
19. Alimony Received	19066.	19066.	0.	0.	0.	19066.
20. Miscellaneous Income	83598.	83599.	0.	0.	-1.	83599.
Total, other Income	2136821.	465756.	0.	2652720.	471272.	3118475.
Total Income	31959140.	26618789.	1984346.	3099060.	2156211.	31255855.
Concessionary Allowances	1578138.	2192713.	0.	0.	0.	2192713.
Family Exemptions	0.	11646386.	0.	0.	0.	11646386.
Net Tax Base	30381002.	12779690.	1984346.	3099060.	2156211.	17416755.
Total Taxes on Base	3628941.	2649897.	809923.	169122.	0.	3628941.
Average Tax Rate on Base	0.119	0.207	0.408	0.055	0.000	0.208

TABLE A-2

REVISED ESTIMATES OF THE CURRENT TAX TREATMENT OF COMPONENTS OF THE COMPREHENSIVE
TAX BASE ALLOCABLE TO RESIDENT INDIVIDUALS WHO FILED TAX RETURNS IN 1964
(dollars figures in thousands of dollars)

	Total comprehensive base	Base now taxed at full personal rates	Base now taxed at corp rates	Base now taxed at other rates	Base now exempt	Total current base
1. Wages and Salaries	22382905.	22382905.	0.	0.	0.	22382905.
2. Employment Expense Deductions	-803857.	-31072.	0.	0.	-772785.	-31072.
3. Professional Income	686442.	686442.	0.	0.	0.	686442.
4. Commission Income	410899.	410899.	0.	0.	0.	410899.
5. Attributable Benefits	530441.	0.	0.	0.	530441.	0.
6. Farming and Fishing Income	601171.	601171.	0.	0.	0.	601171.
Total, Labor Income	23808000.	24050344.	0.	0.	-242344.	24050344.
7. Dividends from Resident Companies	443071.	0.	450657.	446340.	0.	450657.
8. Other Corporate Income	1615737.	0.	1505933.	0.	176726.	1505933.
9. Capital Gains on Equity Investments	471211.	0.	0.	0.	471211.	0.
Total, Corporate Income	2530019.	0.	1956590.	446340.	651194.	1956590.
10. Unincorporated Business Income	1177841.	1186079.	0.	0.	-8238.	1186079.
Total, Business Income	3707860.	1186079.	1956590.	446340.	642956.	3142669.
11. Rental Income	205748.	137165.	0.	0.	68583.	137165.
12. Other Canadian Investment Income	1647373.	770451.	0.	0.	876922.	770451.
13. Non-Business Capital Gains	86626.	0.	0.	0.	86626.	0.
14. Foreign Investment Income	39851.	39851.	0.	0.	0.	39851.
15. Deductions from Investment Income	-30896.	-30896.	0.	0.	0.	-30896.
Total, Other Investment Income	1948701.	916570.	0.	0.	1032131.	916570.
16. Gifts and Bequests	1200077.	0.	0.	2652720.	0.	2652720.
17. Transfer Payments Received	834364.	363091.	0.	0.	471273.	363091.
18. Insurance Proceeds	0.	0.	0.	0.	0.	0.
19. Alimony Received	19066.	19066.	0.	0.	0.	19066.
20. Miscellaneous Income	68466.	68466.	0.	0.	-1.	68466.
Total, Other Income	2121952.	450603.	0.	2652720.	471272.	3103342.
Total Income	31586513.	26603597.	1956590.	3099060.	2013016.	31212925.
Concessionary Allowances	1581086.	2177537.	0.	0.	0.	2177537.
Family Exemptions	0.	11557481.	0.	0.	0.	11557481.
Net Tax Base	30005430.	12868586.	1956590.	3099060.	2013016.	17477907.
Total Taxes on Base	3694620.	2747714.	795378.	171511.	0.	3714603.
Average Tax Rate on Base	0.123	0.214	0.407	0.055	0.000	0.213

APPENDIX B

CHANGES IN THE TAXATION OF EACH DETAILED CATEGORY OF INCOME FOR RESIDENT INDIVIDUALS IN EACH INCOME CLASS

The purpose of this appendix is to show the effect of the Commission's reforms on the effective rate of tax attributable to each component of income accrued by resident individuals in each of 20 income classes who filed tax returns in 1964.

Because of the effect of changes in the personal income tax base upon the marginal rate of tax applicable to a taxpayer, it is not possible to allocate taxes among income components without specifying which component of income is "marginal". Any such specification is arbitrary when applied uniformly to 6.7 million individuals, and it has in this case been arbitrarily assumed that all components of income are equally "marginal"—or in other words that no component of income is more marginal than any other. Personal income tax (before credits applicable to income) has consequently been allocated among income components in proportion to the amount of each component which is or would be taxed. (In other words, it is distributed over components in proportion to total assessable income arising in each component under the tax system analyzed.) Credits applicable to specific components of income have then been deducted from taxes prorated to that component, while direct taxes other than the personal income tax attributable to the taxpayer have simply been added to the personal income taxes (if any) prorated to the components taxed under the other taxes. Foreign tax credits have been allocated exclusively to foreign investment income. These calculations are done for each taxpayer; aggregate taxes falling on

each income component are obtained by adding together the results of the calculations for each taxpayer. The calculations are detailed in the listings of subroutines BASCOM and MARTAB presented in A General Income Tax Analyzer.

The calculations underlying the tables in this appendix are similar to those underlying Appendix C in Volume 6 of the Report in that they are concerned with the proration of income tax over elements of the tax base. They are, however, different in that in this appendix we are concerned with the proration of total taxes over total taxable income under the current and proposed tax system, rather than with the proration of changes in taxes in the tax base.

The average effective rate of tax on each income component for each group of individuals is computed as the ratio of the total tax falling on an income component (estimated as described above) to the total income accrued in the form of that component. Individuals' effective tax rates are thus weighted by income in computing average effective tax rates.

As in the tabulations presented in Volume 6 of the Report, taxpayers are classified into 20 income classes based on comprehensive income less concessionary allowances. The classification has been described in Table 3 above. The results for each income class are shown in Tables B-1 to B-20; for all Canadian residents combined who filed tax returns, similar results are shown in Table B-21. All dollar amounts are shown in thousands of dollars. Some figures do not add to totals because of rounding.

TABLE B-1

AVERAGE EFFECTIVE RATES OF TAX ON EACH INCOME COMPONENT
FOR TAX UNITS IN INCOME CLASS 1

	ACCRUED INCOME (\$000)	EFFECTIVE TAX RATES CURRENT	EFFECTIVE TAX RATES PROPOSED	PERCENT CHANGE
1. WAGES AND SALARIES	414421.	.002	.000	-78.5
2. EMPLOYMENT EXPENSE DEDUCTIONS	-17680.	.000	.001	54132.1
3. PROFESSIONAL INCOME	565.	.036	.008	-78.5
4. COMMISSION INCOME	1988.	.005	-.001	-118.6
5. ATTRIBUTABLE BENEFITS	5714.	.000	-.002	-999999.9
6. FARMING AND FISHING INCOME	-21067.	-.000	-.002	659.1
TOTAL, LABOR INCOME	383942.	.002	.000	-77.5
7. DIVIDENDS FROM RESIDENT COMPANIES	4868.	.124	-.000	-100.3
8. OTHER CORPORATE INCOME	18730.	.387	-.000	-100.1
9. CAPITAL GAINS ON EQUITY INVESTMENTS	7059.	.000	-.000	-999999.9
TOTAL, CORPORATE INCOME	30657.	.256	-.000	-100.1
10. UNINCORPORATED BUSINESS INCOME	-23750.	-.001	-.003	228.9
TOTAL, BUSINESS INCOME	6908.	1.140	.008	-99.3
11. RENTAL INCOME	-13956.	-.003	-.006	129.0
12. OTHER CANADIAN INVESTMENT INCOME	11612.	.003	.000	-98.8
13. NON-BUSINESS CAPITAL GAINS	930.	.000	.000	999999.9
14. FOREIGN INVESTMENT INCOME	39.	-.110	-.144	30.9
15. DEDUCTIONS FROM INVESTMENT INCOME	-62.	.019	-.008	-140.8
TOTAL, OTHER INVESTMENT INCOME	-1437.	-.048	-.054	12.9
16. GIFTS AND BEQUESTS	4921.	.107	-.000	-100.0
17. TRANSFER PAYMENTS RECEIVED	10782.	.001	.000	-68.8
18. INSURANCE PROCEEDS	0.	.000	.000	.0
19. ALIMONY RECEIVED	255.	.000	.001	711.5
20. MISCELLANEOUS INCOME	-16418.	.001	.001	-11.0
TOTAL, OTHER INCOME	-459.	-1.143	.016	-101.4
TOTAL INCOME	388953.	.024	.001	-96.6

TABLE B-2

AVERAGE EFFECTIVE RATES OF TAX ON EACH INCOME COMPONENT
FOR TAX UNITS IN INCOME CLASS 2

	ACCRUED INCOME (\$000)	EFFECTIVE TAX RATES CURRENT	EFFECTIVE TAX RATES PROPOSED	PERCENT CHANGE
1. WAGES AND SALARIES	1150976.	.027	.026	-4.0
2. EMPLOYMENT EXPENSE DEDUCTIONS	-46713.	.000	.328	100230.9
3. PROFESSIONAL INCOME	3324.	.031	.029	-5.5
4. COMMISSION INCOME	7209.	.013	.016	18.4
5. ATTRIBUTABLE BENEFITS	3939.	.000	.017	999999.9
6. FARMING AND FISHING INCOME	39227.	.007	.009	24.5
TOTAL, LABOR INCOME	1157961.	.027	.013	-51.9
7. DIVIDENDS FROM RESIDENT COMPANIES	6315.	.176	.021	-88.2
8. OTHER CORPORATE INCOME	24297.	.369	.019	-94.9
9. CAPITAL GAINS ON EQUITY INVESTMENTS	9157.	.000	.015	999999.9
TOTAL, CORPORATE INCOME	39768.	.254	.018	-92.8
10. UNINCORPORATED BUSINESS INCOME	57249.	.012	.014	20.4
TOTAL, BUSINESS INCOME	97017.	.111	.016	-85.7
11. RENTAL INCOME	5287.	.002	.029	1649.9
12. OTHER CANADIAN INVESTMENT INCOME	31912.	.009	.030	252.0
13. NON-BUSINESS CAPITAL GAINS	2566.	.000	.023	999999.9
14. FOREIGN INVESTMENT INCOME	172.	-.137	-.127	-7.4
15. DEDUCTIONS FROM INVESTMENT INCOME	-109.	.017	.023	35.5
TOTAL, OTHER INVESTMENT INCOME	39828.	.006	.029	348.1
16. GIFTS AND BEQUESTS	13425.	.107	.030	-71.8
17. TRANSFER PAYMENTS RECEIVED	48631.	.004	.020	352.7
18. INSURANCE PROCEEDS	0.	.000	.000	0
19. ALIMONY RECEIVED	1220.	.007	.018	153.2
20. MISCELLANEOUS INCOME	-7912.	.020	.016	-16.7
TOTAL, OTHER INCOME	55364.	.027	.023	-15.3
TOTAL INCOME	1350171.	.033	.014	-56.6

TABLE B-3

AVERAGE EFFECTIVE RATES OF TAX ON EACH INCOME COMPONENT
FOR TAX UNITS IN INCOME CLASS 3

	ACCRUED INCOME (\$000)	EFFECTIVE TAX RATES CURRENT	EFFECTIVE TAX RATES PROPOSED	PERCENT CHANGE
1. WAGES AND SALARIES	2365873.	.055	.053	-4.8
2. EMPLOYMENT EXPENSE DEDUCTIONS	-91881.	.001	.225	19806.2
3. PROFESSIONAL INCOME	7785.	.040	.044	8.6
4. COMMISSION INCOME	18407.	.034	.034	-.9
5. ATTRIBUTABLE BENEFITS	32547.	.000	.051	999999.9
6. FARMING AND FISHING INCOME	110872.	.012	.016	28.2
TOTAL, LABOR INCOME	2443603.	.054	.044	-18.7
7. DIVIDENDS FROM RESIDENT COMPANIES	10407.	.242	.049	-79.8
8. OTHER CORPORATE INCOME	40044.	.351	.044	-87.3
9. CAPITAL GAINS ON EQUITY INVESTMENTS	15091.	.000	.036	999999.9
TOTAL, CORPORATE INCOME	65542.	.253	.043	-82.9
10. UNINCORPORATED BUSINESS INCOME	131538.	.015	.017	9.5
TOTAL, BUSINESS INCOME	197080.	.094	.025	-73.0
11. RENTAL INCOME	16268.	.004	.040	945.9
12. OTHER CANADIAN INVESTMENT INCOME	81087.	.017	.057	237.6
13. NON-BUSINESS CAPITAL GAINS	6472.	.000	.044	999999.9
14. FOREIGN INVESTMENT INCOME	432.	-.295	-.270	-8.5
15. DEDUCTIONS FROM INVESTMENT INCOME	-185.	.021	.040	88.2
TOTAL, OTHER INVESTMENT INCOME	104074.	.013	.052	317.6
16. GIFTS AND BEQUESTS	33861.	.107	.057	-46.6
17. TRANSFER PAYMENTS RECEIVED	129223.	.018	.040	121.5
18. INSURANCE PROCEEDS	0.	.000	.000	.0
19. ALIMONY RECEIVED	2278.	.027	.037	37.7
20. MISCELLANEOUS INCOME	-3636.	.088	.042	-52.6
TOTAL, OTHER INCOME	161727.	.035	.043	23.1
TOTAL INCOME	2906483.	.055	.043	-20.8

TABLE B-4

AVERAGE EFFECTIVE RATES OF TAX ON EACH INCOME COMPONENT
FOR TAX UNITS IN INCOME CLASS 4

	ACCRUED INCOME (\$'000)	EFFECTIVE TAX RATES CURRENT	EFFECTIVE TAX RATES PROPOSED	PERCENT CHANGE
1. WAGES AND SALARIES	3448601.	.072	.065	-8.6
2. EMPLOYMENT EXPENSE DEDUCTIONS	-130378.	.002	.160	8283.2
3. PROFESSIONAL INCOME	11578.	.059	.067	13.0
4. COMMISSION INCOME	30924.	.048	.045	-7.4
5. ATTRIBUTABLE BENEFITS	75843.	.000	.061	99999.9
6. FARMING AND FISHING INCOME	86234.	.024	.024	-3.5
TOTAL, LABOR INCOME	3522802.	.071	.061	-14.9
7. DIVIDENDS FROM RESIDENT COMPANIES	10758.	.290	.075	-74.2
8. OTHER CORPORATE INCOME	41394.	.333	.068	-79.7
9. CAPITAL GAINS ON EQUITY INVESTMENTS	15600.	.000	.055	99999.9
TOTAL, CORPORATE INCOME	67752.	.249	.066	-73.6
10. UNINCORPORATED BUSINESS INCOME	197269.	.025	.026	4.6
TOTAL, BUSINESS INCOME	265021.	.082	.036	-56.2
11. RENTAL INCOME	14010.	.002	.067	3300.8
12. OTHER CANADIAN INVESTMENT INCOME	110323.	.022	.077	243.1
13. NON-BUSINESS CAPITAL GAINS	7203.	.000	.061	99999.9
14. FOREIGN INVESTMENT INCOME	454.	-.741	-.704	-5.0
15. DEDUCTIONS FROM INVESTMENT INCOME	-310.	.043	.060	40.4
TOTAL, OTHER INVESTMENT INCOME	131681.	.016	.072	343.1
16. GIFTS AND BEQUESTS	37688.	.107	.079	-26.2
17. TRANSFER PAYMENTS RECEIVED	127961.	.020	.040	100.8
18. INSURANCE PROCEEDS	0.	.000	.000	0
19. ALIMONY RECEIVED	4386.	.037	.043	16.8
20. MISCELLANEOUS INCOME	-3960.	.081	.040	-50.6
TOTAL, OTHER INCOME	166074.	.039	.049	26.9
TOTAL INCOME	4085578.	.069	.059	-14.4

TABLE B-5

AVERAGE EFFECTIVE RATES OF TAX ON EACH INCOME COMPONENT
FOR TAX UNITS IN INCOME CLASS 5

	ACCRUED INCOME (\$000)	EFFECTIVE TAX RATES CURRENT	EFFECTIVE TAX RATES PROPOSED	PERCENT CHANGE
1. WAGES AND SALARIES	4059688.	.081	.073	-9.8
2. EMPLOYMENT EXPENSE DEDUCTIONS	-147172.	.003	.100	2836.9
3. PROFESSIONAL INCOME	9478.	.071	.073	1.8
4. COMMISSION INCOME	41276.	.060	.057	-5.3
5. ATTRIBUTABLE BENEFITS	87851.	.000	.070	999999.9
6. FARMING AND FISHING INCOME	84298.	.052	.052	.8
TOTAL, LABOR INCOME	4135418.	.081	.071	-12.0
7. DIVIDENDS FROM RESIDENT COMPANIES	14863.	.320	.099	-69.1
8. OTHER CORPORATE INCOME	57186.	.324	.089	-72.4
9. CAPITAL GAINS ON EQUITY INVESTMENTS	21551.	.000	.072	999999.9
TOTAL, CORPORATE INCOME	93601.	.249	.087	-65.0
10. UNINCORPORATED BUSINESS INCOME	162504.	.040	.040	1.1
TOTAL, BUSINESS INCOME	256105.	.116	.057	-50.7
11. RENTAL INCOME	19312.	.016	.079	395.3
12. OTHER CANADIAN INVESTMENT INCOME	165230.	.025	.090	262.3
13. NON-BUSINESS CAPITAL GAINS	8827.	.000	.076	999999.9
14. FOREIGN INVESTMENT INCOME	875.	-.719	-.701	-2.4
15. DEDUCTIONS FROM INVESTMENT INCOME	-538.	.075	.091	21.1
TOTAL, OTHER INVESTMENT INCOME	193706.	.019	.085	338.1
16. GIFTS AND BEQUESTS	46418.	.106	.099	-7.3
17. TRANSFER PAYMENTS RECEIVED	151840.	.021	.052	153.7
18. INSURANCE PROCEEDS	0.	.000	.000	.0
19. ALIMONY RECEIVED	3280.	.063	.070	10.3
20. MISCELLANEOUS INCOME	-1149.	.156	.031	-79.9
TOTAL, OTHER INCOME	200390.	.040	.063	56.9
TOTAL INCOME	4785618.	.079	.071	-10.1

TABLE B-6

AVERAGE EFFECTIVE RATES OF TAX ON EACH INCOME COMPONENT
FOR TAX UNITS IN INCOME CLASS 6

	ACCRUED INCOME (\$'000)	EFFECTIVE TAX RATES CURRENT	EFFECTIVE TAX RATES PROPOSED	PERCENT CHANGE
1. WAGES AND SALARIES	3044088.	.090	.082	-9.1
2. EMPLOYMENT EXPENSE DEDUCTIONS	-106947.	.004	.096	2073.4
3. PROFESSIONAL INCOME	10247.	.087	.089	2.6
4. COMMISSION INCOME	41517.	.078	.074	-3.9
5. ATTRIBUTABLE BENEFITS	67283.	.000	.080	99999.9
6. FARMING AND FISHING INCOME	60021.	.075	.074	-1.2
TOTAL, LABOR INCOME	3116209.	.091	.081	-10.5
7. DIVIDENDS FROM RESIDENT COMPANIES	13725.	.333	.116	-65.3
8. OTHER CORPORATE INCOME	52808.	.320	.105	-67.3
9. CAPITAL GAINS ON EQUITY INVESTMENTS	19901.	.000	.085	99999.9
TOTAL, CORPORATE INCOME	86433.	.248	.102	-59.0
10. UNINCORPORATED BUSINESS INCOME	138263.	.053	.055	2.0
TOTAL, BUSINESS INCOME	224697.	.128	.073	-43.4
11. RENTAL INCOME	17555.	.028	.086	201.0
12. OTHER CANADIAN INVESTMENT INCOME	150982.	.028	.104	269.6
13. NON-BUSINESS CAPITAL GAINS	7658.	.000	.090	99999.9
14. FOREIGN INVESTMENT INCOME	839.	-.532	-.489	-8.0
15. DEDUCTIONS FROM INVESTMENT INCOME	-452.	.075	.094	25.8
TOTAL, OTHER INVESTMENT INCOME	176582.	.024	.099	308.7
16. GIFTS AND BEQUESTS	42904.	.100	.115	14.7
17. TRANSFER PAYMENTS RECEIVED	115736.	.022	.071	219.4
18. INSURANCE PROCEEDS	0.	.000	.000	.0
19. ALIMONY RECEIVED	3055.	.087	.090	2.7
20. MISCELLANEOUS INCOME	2009.	.090	.122	35.5
TOTAL, OTHER INCOME	163704.	.045	.083	86.5
TOTAL INCOME	3681191.	.088	.082	-7.0

TABLE B-7

AVERAGE EFFECTIVE RATES OF TAX ON EACH INCOME COMPONENT
FOR TAX UNITS IN INCOME CLASS 7

	ACCRUED INCOME (\$'000)	EFFECTIVE TAX RATES CURRENT	PROPOSED	PERCENT CHANGE
1. WAGES AND SALARIES	3768370.	.110	.098	-11.0
2. EMPLOYMENT EXPENSE DEDUCTIONS	-129373.	.006	.105	1742.5
3. PROFESSIONAL INCOME	24216.	.108	.109	1.3
4. COMMISSION INCOME	64132.	.103	.098	-4.7
5. ATTRIBUTABLE BENEFITS	87301.	.000	.097	999999.9
6. FARMING AND FISHING INCOME	80458.	.105	.099	-5.4
TOTAL, LABOR INCOME	3895105.	.111	.098	-11.8
7. DIVIDENDS FROM RESIDENT COMPANIES	23571.	.337	.127	-62.4
8. OTHER CORPORATE INCOME	90693.	.319	.115	-64.0
9. CAPITAL GAINS ON EQUITY INVESTMENTS	34178.	.000	.093	999999.9
TOTAL, CORPORATE INCOME	148443.	.248	.112	-55.1
10. UNINCORPORATED BUSINESS INCOME	199510.	.080	.080	1.2
TOTAL, BUSINESS INCOME	347953.	.152	.094	-38.1
11. RENTAL INCOME	28785.	.039	.095	141.0
12. OTHER CANADIAN INVESTMENT INCOME	228978.	.034	.117	247.5
13. NON-BUSINESS CAPITAL GAINS	11589.	.000	.099	999999.9
14. FOREIGN INVESTMENT INCOME	1302.	-.985	-.948	-3.8
15. DEDUCTIONS FROM INVESTMENT INCOME	-1458.	.077	.098	27.1
TOTAL, OTHER INVESTMENT INCOME	269195.	.028	.109	293.2
16. GIFTS AND BEQUESTS	83120.	.099	.121	22.4
17. TRANSFER PAYMENTS RECEIVED	118078.	.026	.094	261.8
18. INSURANCE PROCEEDS	0.	.000	.000	.0
19. ALIMONY RECEIVED	1868.	.099	.119	20.2
20. MISCELLANEOUS INCOME	8007.	.095	.114	19.6
TOTAL, OTHER INCOME	211072.	.058	.106	82.3
TOTAL INCOME	4723325.	.106	.098	-7.7

TABLE B-8

AVERAGE EFFECTIVE RATES OF TAX ON EACH INCOME COMPONENT
FOR TAX UNITS IN INCOME CLASS 8

	ACRUED INCOME (\$000)	EFFECTIVE TAX RATES CURRENT	EFFECTIVE TAX RATES PROPOSED	PERCENT CHANGE
1. WAGES AND SALARIES	1508327.	.135	.120	-10.9
2. EMPLOYMENT EXPENSE DEDUCTIONS	-50513.	.007	.125	1777.6
3. PROFESSIONAL INCOME	27675.	.129	.124	-4.1
4. COMMISSION INCOME	46656.	.127	.119	-6.7
5. ATTRIBUTABLE BENEFITS	39686.	.000	.119	99999.9
6. FARMING AND FISHING INCOME	51328.	.129	.120	-6.7
TOTAL, LABOR INCOME	1623159.	.135	.120	-11.2
7. DIVIDENDS FROM RESIDENT COMPANIES	19735.	.346	.140	-59.6
8. OTHER CORPORATE INCOME	75933.	.318	.127	-60.2
9. CAPITAL GAINS ON EQUITY INVESTMENTS	28616.	.000	.103	99999.9
TOTAL, CORPORATE INCOME	124284.	.249	.123	-50.6
10. UNINCORPORATED BUSINESS INCOME	132279.	.100	.097	-2.8
TOTAL, BUSINESS INCOME	256563.	.172	.110	-36.3
11. RENTAL INCOME	22389.	.053	.109	105.6
12. OTHER CANADIAN INVESTMENT INCOME	130311.	.044	.139	217.8
13. NON-BUSINESS CAPITAL GAINS	7187.	.000	.114	99999.9
14. FOREIGN INVESTMENT INCOME	1244.	-.716	-.683	-4.6
15. DEDUCTIONS FROM INVESTMENT INCOME	-1112.	.117	.133	14.4
TOTAL, OTHER INVESTMENT INCOME	160019.	.037	.127	247.3
16. GIFTS AND BEQUESTS	67575.	.108	.135	25.8
17. TRANSFER PAYMENTS RECEIVED	44895.	.036	.122	240.8
18. INSURANCE PROCEEDS	0.	.000	.000	.0
19. ALIMONY RECEIVED	972.	.105	.139	32.4
20. MISCELLANEOUS INCOME	5464.	.128	.136	5.8
TOTAL, OTHER INCOME	118905.	.081	.130	60.0
TOTAL INCOME	2158645.	.129	.120	-7.3

TABLE B-9

AVERAGE EFFECTIVE RATES OF TAX ON EACH INCOME COMPONENT
FOR TAX UNITS IN INCOME CLASS 9

	ACCRUED INCOME (\$'000)	EFFECTIVE TAX RATES CURRENT	EFFECTIVE TAX RATES PROPOSED	PERCENT CHANGE
1. WAGES AND SALARIES	550468.	.149	.139	-6.7
2. EMPLOYMENT EXPENSE DEDUCTIONS	-17881.	.006	.144	2153.4
3. PROFESSIONAL INCOME	15244.	.143	.138	-3.7
4. COMMISSION INCOME	25024.	.144	.137	-4.7
5. ATTRIBUTABLE BENEFITS	16934.	.000	.136	99999.9
6. FARMING AND FISHING INCOME	23371.	.147	.139	-4.9
TOTAL, LABOR INCOME	613160.	.149	.139	-6.6
7. DIVIDENDS FROM RESIDENT COMPANIES	18581.	.353	.160	-54.6
8. OTHER CORPORATE INCOME	71493.	.318	.145	-54.3
9. CAPITAL GAINS ON EQUITY INVESTMENTS	26943.	.000	.118	99999.9
TOTAL, CORPORATE INCOME	117017.	.250	.141	-43.6
10. UNINCORPORATED BUSINESS INCOME	74441.	.116	.112	-3.2
TOTAL, BUSINESS INCOME	191458.	.198	.130	-34.4
11. RENTAL INCOME	16498.	.059	.124	108.5
12. OTHER CANADIAN INVESTMENT INCOME	87659.	.058	.164	181.5
13. NON-BUSINESS CAPITAL GAINS	6014.	.000	.131	99999.9
14. FOREIGN INVESTMENT INCOME	1267.	-.505	-.457	-9.5
15. DEDUCTIONS FROM INVESTMENT INCOME	-1050.	.117	.154	31.5
TOTAL, OTHER INVESTMENT INCOME	110387.	.048	.149	209.4
16. GIFTS AND BEQUESTS	70211.	.120	.152	27.1
17. TRANSFER PAYMENTS RECEIVED	21990.	.066	.154	134.7
18. INSURANCE PROCEEDS	0.	.000	.000	.0
19. ALIMONY RECEIVED	97.	.123	.156	26.3
20. MISCELLANEOUS INCOME	6126.	.131	.148	12.6
TOTAL, OTHER INCOME	98424.	.109	.153	40.5
TOTAL INCOME	1013429.	.143	.140	-2.5

TABLE B-10

AVERAGE EFFECTIVE RATES OF TAX ON EACH INCOME COMPONENT
FOR TAX UNITS IN INCOME CLASS 10

	ACCRUED INCOME (\$'000)	EFFECTIVE TAX RATES CURRENT	EFFECTIVE TAX RATES PROPOSED	PERCENT CHANGE
1. WAGES AND SALARIES	610294.	.162	.154	-4.6
2. EMPLOYMENT EXPENSE DEDUCTIONS	-19711.	.007	.159	2157.7
3. PROFESSIONAL INCOME	46162.	.160	.156	-2.7
4. COMMISSION INCOME	36241.	.156	.150	-3.8
5. ATTRIBUTABLE BENEFITS	25274.	.000	.153	999999.9
6. FARMING AND FISHING INCOME	34527.	.160	.152	-5.3
TOTAL, LABOR INCOME	732789.	.160	.154	-3.7
7. DIVIDENDS FROM RESIDENT COMPANIES	24673.	.366	.175	-52.4
8. OTHER CORPORATE INCOME	94933.	.316	.158	-50.0
9. CAPITAL GAINS ON EQUITY INVESTMENTS	35776.	.000	.128	999999.9
TOTAL, CORPORATE INCOME	155382.	.251	.154	-38.8
10. UNINCORPORATED BUSINESS INCOME	99922.	.128	.128	- .5
TOTAL, BUSINESS INCOME	255304.	.203	.144	-29.3
11. RENTAL INCOME	17507.	.070	.138	97.2
12. OTHER CANADIAN INVESTMENT INCOME	101861.	.066	.175	164.1
13. NON-BUSINESS CAPITAL GAINS	6894.	.000	.140	999999.9
14. FOREIGN INVESTMENT INCOME	1764.	-.390	-.350	-10.2
15. DEDUCTIONS FROM INVESTMENT INCOME	-1524.	.137	.161	17.8
TOTAL, OTHER INVESTMENT INCOME	126503.	.056	.161	187.4
16. GIFTS AND BEQUESTS	113345.	.126	.162	29.0
17. TRANSFER PAYMENTS RECEIVED	20085.	.067	.167	147.7
18. INSURANCE PROCEEDS	0.	.000	.000	.0
19. ALIMONY RECEIVED	314.	.149	.207	39.2
20. MISCELLANEOUS INCOME	5850.	.143	.160	12.6
TOTAL, OTHER INCOME	139594.	.118	.163	38.0
TOTAL INCOME	1254190.	.154	.154	- .0

TABLE B-11

AVERAGE EFFECTIVE RATES OF TAX ON EACH INCOME COMPONENT
FOR TAX UNITS IN INCOME CLASS 11

	ACCRUED INCOME (\$'000)	EFFECTIVE TAX RATES CURRENT	EFFECTIVE TAX RATES PROPOSED	PERCENT CHANGE
1. WAGES AND SALARIES	488998.	.184	.175	-5.3
2. EMPLOYMENT EXPENSE DEDUCTIONS	-15504.	.006	.177	2703.9
3. PROFESSIONAL INCOME	79824.	.185	.175	-5.6
4. COMMISSION INCOME	35315.	.185	.174	-5.9
5. ATTRIBUTABLE BENEFITS	28085.	.000	.174	999999.9
6. FARMING AND FISHING INCOME	26363.	.187	.175	-6.5
TOTAL, LABOR INCOME	643080.	.181	.174	-3.5
7. DIVIDENDS FROM RESIDENT COMPANIES	32250.	.384	.193	-49.7
8. OTHER CORPORATE INCOME	124083.	.316	.175	-44.7
9. CAPITAL GAINS ON EQUITY INVESTMENTS	46762.	.000	.141	999999.9
TOTAL, CORPORATE INCOME	203095.	.254	.170	-33.1
10. UNINCORPORATED BUSINESS INCOME	106969.	.150	.147	-2.1
TOTAL, BUSINESS INCOME	310064.	.218	.162	-25.7
11. RENTAL INCOME	23263.	.077	.150	94.2
12. OTHER CANADIAN INVESTMENT INCOME	105897.	.079	.198	148.6
13. NON-BUSINESS CAPITAL GAINS	7586.	.000	.158	999999.9
14. FOREIGN INVESTMENT INCOME	2666.	-.170	-.132	-22.3
15. DEDUCTIONS FROM INVESTMENT INCOME	-2386.	.157	.188	19.3
TOTAL, OTHER INVESTMENT INCOME	137026.	.069	.181	164.3
16. GIFTS AND BEQUESTS	116499.	.125	.185	48.4
17. TRANSFER PAYMENTS RECEIVED	16516.	.084	.190	125.1
18. INSURANCE PROCEEDS	0.	.000	.000	.0
19. ALIMONY RECEIVED	441.	.182	.181	-.6
20. MISCELLANEOUS INCOME	8651.	.167	.187	12.0
TOTAL, OTHER INCOME	142107.	.123	.186	51.3
TOTAL INCOME	1232277.	.171	.173	1.4

TABLE B-12

AVERAGE EFFECTIVE RATES OF TAX ON EACH INCOME COMPONENT
FOR TAX UNITS IN INCOME CLASS 12

	ACCRUED INCOME (\$'000)	EFFECTIVE TAX RATES CURRENT	EFFECTIVE TAX RATES PROPOSED	PERCENT CHANGE
1. WAGES AND SALARIES	223062.	.212	.199	-5.9
2. EMPLOYMENT EXPENSE DEDUCTIONS	-7132.	.008	.202	2498.7
3. PROFESSIONAL INCOME	70266.	.215	.195	-9.2
4. COMMISSION INCOME	16743.	.213	.192	-9.8
5. ATTRIBUTABLE BENEFITS	15210.	.000	.197	999999.9
6. FARMING AND FISHING INCOME	12225.	.217	.196	-9.6
TOTAL, LABOR INCOME	330373.	.207	.198	-4.7
7. DIVIDENDS FROM RESIDENT COMPANIES	25384.	.396	.209	-47.1
8. OTHER CORPORATE INCOME	97669.	.315	.190	-39.9
9. CAPITAL GAINS ON EQUITY INVESTMENTS	36808.	.000	.154	999999.9
TOTAL, CORPORATE INCOME	159861.	.256	.185	-27.8
10. UNINCORPORATED BUSINESS INCOME	56882.	.174	.165	-5.2
TOTAL, BUSINESS INCOME	216743.	.234	.179	-23.4
11. RENTAL INCOME	14938.	.088	.163	85.3
12. OTHER CANADIAN INVESTMENT INCOME	69932.	.096	.218	128.7
13. NON-BUSINESS CAPITAL GAINS	5394.	.000	.173	999999.9
14. FOREIGN INVESTMENT INCOME	1836.	-.063	-.022	-65.4
15. DEDUCTIONS FROM INVESTMENT INCOME	-1990.	.176	.203	15.4
TOTAL, OTHER INVESTMENT INCOME	90110.	.084	.202	141.7
16. GIFTS AND BEQUESTS	71332.	.123	.209	70.1
17. TRANSFER PAYMENTS RECEIVED	8131.	.102	.215	111.4
18. INSURANCE PROCEEDS	0.	.000	.000	.0
19. ALIMONY RECEIVED	71.	.228	.208	-8.7
20. MISCELLANEOUS INCOME	7437.	.188	.205	8.9
TOTAL, OTHER INCOME	86972.	.127	.209	65.3
TOTAL INCOME	724197.	.190	.194	2.0

TABLE B-13

AVERAGE EFFECTIVE RATES OF TAX ON EACH INCOME COMPONENT
FOR TAX UNITS IN INCOME CLASS 13

		ACCRUED INCOME (\$'000)	EFFECTIVE TAX RATES CURRENT	EFFECTIVE TAX RATES PROPOSED	PERCENT CHANGE
1.	WAGES AND SALARIES	253410.	.244	.226	-7.4
2.	EMPLOYMENT EXPENSE DEDUCTIONS	-8277.	.008	.228	2769.6
3.	PROFESSIONAL INCOME	132851.	.253	.221	-12.5
4.	COMMISSION INCOME	19766.	.252	.224	-11.1
5.	ATTRIBUTABLE BENEFITS	19021.	.000	.223	99999.9
6.	FARMING AND FISHING INCOME	7794.	.259	.230	-10.9
	TOTAL, LABOR INCOME	424566.	.241	.224	-7.0
7.	DIVIDENDS FROM RESIDENT COMPANIES	38764.	.426	.235	-44.9
8.	OTHER CORPORATE INCOME	149353.	.314	.213	-32.4
9.	CAPITAL GAINS ON EQUITY INVESTMENTS	56208.	.000	.172	99999.9
	TOTAL, CORPORATE INCOME	244326.	.260	.207	-20.4
10.	UNINCORPORATED BUSINESS INCOME	51225.	.204	.186	-8.4
	TOTAL, BUSINESS INCOME	295551.	.250	.203	-18.7
11.	RENTAL INCOME	21700.	.105	.185	76.7
12.	OTHER CANADIAN INVESTMENT INCOME	86396.	.107	.245	127.7
13.	NON-BUSINESS CAPITAL GAINS	6680.	.000	.192	99999.9
14.	FOREIGN INVESTMENT INCOME	3060.	-.018	.025	-240.9
15.	DEDUCTIONS FROM INVESTMENT INCOME	-3237.	.206	.228	10.7
	TOTAL, OTHER INVESTMENT INCOME	114599.	.095	.225	137.9
16.	GIFTS AND BEQUESTS	96984.	.124	.236	90.2
17.	TRANSFER PAYMENTS RECEIVED	7997.	.112	.242	116.9
18.	INSURANCE PROCEEDS	0.	.000	.000	.0
19.	ALIMONY RECEIVED	384.	.205	.273	33.3
20.	MISCELLANEOUS INCOME	10506.	.211	.227	7.8
	TOTAL, OTHER INCOME	115871.	.131	.236	79.4
	TOTAL INCOME	950586.	.213	.219	3.0

TABLE B-14

AVERAGE EFFECTIVE RATES OF TAX ON EACH INCOME COMPONENT
FOR TAX UNITS IN INCOME CLASS 14

	ACCRUED INCOME (\$'000)	EFFECTIVE TAX RATES CURRENT	PROPOSED	PERCENT CHANGE
1. WAGES AND SALARIES	181167.	.282	.271	-4.0
2. EMPLOYMENT EXPENSE DEDUCTIONS	-5971.	.006	.271	4260.7
3. PROFESSIONAL INCOME	111698.	.296	.264	-10.9
4. COMMISSION INCOME	11101.	.289	.271	-6.1
5. ATTRIBUTABLE BENEFITS	12342.	.000	.267	999999.9
6. FARMING AND FISHING INCOME	4195.	.288	.262	-9.2
TOTAL, LABOR INCOME	314531.	.282	.268	-4.8
7. DIVIDENDS FROM RESIDENT COMPANIES	48802.	.450	.277	-38.5
8. OTHER CORPORATE INCOME	194272.	.316	.250	-20.8
9. CAPITAL GAINS ON EQUITY INVESTMENTS	70763.	.000	.203	999999.9
TOTAL, CORPORATE INCOME	313638.	.265	.244	-8.2
10. UNINCORPORATED BUSINESS INCOME	27727.	.242	.220	-8.8
TOTAL, BUSINESS INCOME	341565.	.263	.242	-8.2
11. RENTAL INCOME	20820.	.113	.217	91.5
12. OTHER CANADIAN INVESTMENT INCOME	82357.	.134	.289	116.4
13. NON-BUSINESS CAPITAL GAINS	7073.	.000	.226	999999.9
14. FOREIGN INVESTMENT INCOME	3999.	.042	.101	137.6
15. DEDUCTIONS FROM INVESTMENT INCOME	-3839.	.247	.280	13.4
TOTAL, OTHER INVESTMENT INCOME	110411.	.114	.265	132.5
16. GIFTS AND BEQUESTS	108950.	.126	.279	121.4
17. TRANSFER PAYMENTS RECEIVED	5926.	.148	.287	94.4
18. INSURANCE PROCEEDS	0.	.000	.000	.0
19. ALIMONY RECEIVED	155.	.222	.294	32.3
20. MISCELLANEOUS INCOME	10002.	.246	.280	13.5
TOTAL, OTHER INCOME	125033.	.137	.280	104.3
TOTAL INCOME	891540.	.234	.259	11.0

TABLE B-15

AVERAGE EFFECTIVE RATES OF TAX ON EACH INCOME COMPONENT
FOR TAX UNITS IN INCOME CLASS 15

	ACCRUED INCOME (\$'000)	EFFECTIVE TAX RATES CURRENT	EFFECTIVE TAX RATES PROPOSED	PERCENT CHANGE
1. WAGES AND SALARIES	144701.	.326	.320	-1.9
2. EMPLOYMENT EXPENSE DEDUCTIONS	-4733.	.004	.320	7835.5
3. PROFESSIONAL INCOME	64260.	.339	.310	-8.6
4. COMMISSION INCOME	6237.	.328	.314	-4.3
5. ATTRIBUTABLE BENEFITS	7668.	.000	.315	999999.9
6. FARMING AND FISHING INCOME	773.	.327	.312	-4.4
TOTAL, LABOR INCOME	218906.	.325	.316	-2.8
7. DIVIDENDS FROM RESIDENT COMPANIES	45137.	.495	.312	-36.9
8. OTHER CORPORATE INCOME	182131.	.316	.282	-10.7
9. CAPITAL GAINS ON EQUITY INVESTMENTS	65449.	.000	.229	999999.9
TOTAL, CORPORATE INCOME	292718.	.273	.275	.7
10. UNINCORPORATED BUSINESS INCOME	15424.	.271	.253	-6.8
TOTAL, BUSINESS INCOME	308142.	.273	.274	.4
11. RENTAL INCOME	18984.	.137	.247	80.4
12. OTHER CANADIAN INVESTMENT INCOME	63772.	.169	.329	95.4
13. NON-BUSINESS CAPITAL GAINS	5707.	.000	.256	999999.9
14. FOREIGN INVESTMENT INCOME	4168.	.068	.118	74.6
15. DEDUCTIONS FROM INVESTMENT INCOME	-3903.	.282	.320	13.5
TOTAL, OTHER INVESTMENT INCOME	88728.	.141	.297	110.6
16. GIFTS AND BEQUESTS	85300.	.126	.324	157.5
17. TRANSFER PAYMENTS RECEIVED	3134.	.190	.327	72.4
18. INSURANCE PROCEEDS	0.	.000	.000	.0
19. ALIMONY RECEIVED	127.	.268	.332	24.0
20. MISCELLANEOUS INCOME	10403.	.279	.319	14.5
TOTAL, OTHER INCOME	98964.	.144	.324	124.5
TOTAL INCOME	714740.	.255	.297	16.5

TABLE B-16

AVERAGE EFFECTIVE RATES OF TAX ON EACH INCOME COMPONENT
FOR TAX UNITS IN INCOME CLASS 16

	ACCRUED INCOME (\$000)	EFFECTIVE TAX RATES CURRENT	TAX RATES PROPOSED	PERCENT CHANGE
1. WAGES AND SALARIES	53673.	.366	.365	-.3
2. EMPLOYMENT EXPENSE DEDUCTIONS	-1548.	.004	.366	9424.4
3. PROFESSIONAL INCOME	38850.	.383	.351	-8.5
4. COMMISSION INCOME	4549.	.374	.355	-5.1
5. ATTRIBUTABLE BENEFITS	2593.	.000	.359	99999.9
6. FARMING AND FISHING INCOME	216.	.279	.244	-12.4
TOTAL, LABOR INCOME	98334.	.369	.358	-2.9
7. DIVIDENDS FROM RESIDENT COMPANIES	25112.	.529	.351	-33.7
8. OTHER CORPORATE INCOME	106963.	.320	.318	-.6
9. CAPITAL GAINS ON EQUITY INVESTMENTS	36413.	.000	.257	99999.9
TOTAL, CORPORATE INCOME	168488.	.282	.310	9.8
10. UNINCORPORATED BUSINESS INCOME	5815.	.300	.281	-6.5
TOTAL, BUSINESS INCOME	174303.	.282	.309	9.3
11. RENTAL INCOME	10088.	.157	.279	77.0
12. OTHER CANADIAN INVESTMENT INCOME	34181.	.204	.370	81.6
13. NON-BUSINESS CAPITAL GAINS	3337.	.000	.286	99999.9
14. FOREIGN INVESTMENT INCOME	2658.	.105	.152	44.4
15. DEDUCTIONS FROM INVESTMENT INCOME	-1887.	.325	.363	11.7
TOTAL, OTHER INVESTMENT INCOME	48376.	.170	.334	96.3
16. GIFTS AND BEQUESTS	51996.	.127	.365	187.3
17. TRANSFER PAYMENTS RECEIVED	1407.	.229	.372	62.5
18. INSURANCE PROCEEDS	0.	.000	.000	0
19. ALIMONY RECEIVED	94.	.309	.375	21.2
20. MISCELLANEOUS INCOME	5227.	.321	.361	12.5
TOTAL, OTHER INCOME	58723.	.147	.365	148.2
TOTAL INCOME	379737.	.270	.333	23.7

TABLE B-17

AVERAGE EFFECTIVE RATES OF TAX ON EACH INCOME COMPONENT
FOR TAX UNITS IN INCOME CLASS 17

	ACCRUED INCOME (\$000)	EFFECTIVE TAX RATES CURRENT	EFFECTIVE TAX RATES PROPOSED	PERCENT CHANGE
1. WAGES AND SALARIES	58759.	.391	.394	.6
2. EMPLOYMENT EXPENSE DEDUCTIONS	-1459.	.004	.393	8988.5
3. PROFESSIONAL INCOME	19311.	.422	.390	-7.5
4. COMMISSION INCOME	2510.	.412	.396	-3.9
5. ATTRIBUTABLE BENEFITS	1942.	.000	.391	99999.9
6. FARMING AND FISHING INCOME	321.	.311	.318	2.3
TOTAL, LABOR INCOME	81385.	.396	.393	-1.0
7. DIVIDENDS FROM RESIDENT COMPANIES	29916.	.565	.383	-32.2
8. OTHER CORPORATE INCOME	131166.	.322	.347	7.9
9. CAPITAL GAINS ON EQUITY INVESTMENTS	43378.	.000	.281	99999.9
TOTAL, CORPORATE INCOME	204461.	.289	.338	17.1
10. UNINCORPORATED BUSINESS INCOME	8852.	.346	.321	-7.4
TOTAL, BUSINESS INCOME	213312.	.291	.338	15.9
11. RENTAL INCOME	10991.	.176	.304	72.0
12. OTHER CANADIAN INVESTMENT INCOME	36354.	.240	.405	68.8
13. NON-BUSINESS CAPITAL GAINS	3740.	.000	.313	99999.9
14. FOREIGN INVESTMENT INCOME	3625.	.105	.153	45.5
15. DEDUCTIONS FROM INVESTMENT INCOME	-2043.	.345	.395	14.6
TOTAL, OTHER INVESTMENT INCOME	52666.	.196	.360	83.5
16. GIFTS AND BEQUESTS	55245.	.127	.401	216.3
17. TRANSFER PAYMENTS RECEIVED	1080.	.280	.407	45.6
18. INSURANCE PROCEEDS	0.	.000	.000	.0
19. ALIMONY RECEIVED	64.	.318	.411	29.0
20. MISCELLANEOUS INCOME	6585.	.344	.395	14.6
TOTAL, OTHER INCOME	62974.	.152	.400	162.8
TOTAL INCOME,	410338.	.279	.361	29.6

TABLE B-18

AVERAGE EFFECTIVE RATES OF TAX ON EACH INCOME COMPONENT
FOR TAX UNITS IN INCOME CLASS 18

	ACCRUED INCOME (\$000)	EFFECTIVE TAX RATES CURRENT	PROPOSED	PERCENT CHANGE
1. WAGES AND SALARIES	20757.	.429	.425	-.9
2. EMPLOYMENT EXPENSE DEDUCTIONS	-411.	.005	.424	8288.1
3. PROFESSIONAL INCOME	6677.	.475	.423	-10.9
4. COMMISSION INCOME	611.	.396	.427	7.9
5. ATTRIBUTABLE BENEFITS	518.	.000	.424	999999.9
6. FARMING AND FISHING INCOME	54.	.404	.418	3.4
TOTAL, LABOR INCOME	28207.	.437	.425	-2.9
7. DIVIDENDS FROM RESIDENT COMPANIES	15721.	.591	.409	-30.8
8. OTHER CORPORATE INCOME	68988.	.322	.370	15.2
9. CAPITAL GAINS ON EQUITY INVESTMENTS	22796.	.000	.300	999999.9
TOTAL, CORPORATE INCOME	107505.	.293	.361	23.3
10. UNINCORPORATED BUSINESS INCOME	2305.	.377	.337	-10.8
TOTAL, BUSINESS INCOME	109810.	.295	.361	22.4
11. RENTAL INCOME	4507.	.199	.323	62.6
12. OTHER CANADIAN INVESTMENT INCOME	17078.	.275	.434	57.8
13. NON-BUSINESS CAPITAL GAINS	1843.	.000	.334	999999.9
14. FOREIGN INVESTMENT INCOME	2259.	.117	.153	31.0
15. DEDUCTIONS FROM INVESTMENT INCOME	-982.	.366	.425	15.9
TOTAL, OTHER INVESTMENT INCOME	24706.	.223	.381	71.2
16. GIFTS AND BEQUESTS	25328.	.126	.431	241.9
17. TRANSFER PAYMENTS RECEIVED	302.	.316	.435	37.8
18. INSURANCE PROCEEDS	0.	.000	.000	.0
19. ALIMONY RECEIVED	5.	.350	.436	24.4
20. MISCELLANEOUS INCOME	3183.	.359	.421	17.2
TOTAL, OTHER INCOME	28818.	.154	.430	179.5
TOTAL INCOME	191541.	.285	.383	34.4

TABLE B-19

AVERAGE EFFECTIVE RATES OF TAX ON EACH INCOME COMPONENT
FOR TAX UNITS IN INCOME CLASS 19

	ACCRUED INCOME (\$000)	EFFECTIVE TAX RATES CURRENT	PROPOSED	PERCENT CHANGE
1. WAGES AND SALARIES	19777.	.454	.444	-2.3
2. EMPLOYMENT EXPENSE DEDUCTIONS	-331.	.004	.446	11139.2
3. PROFESSIONAL INCOME	4318.	.477	.439	-8.0
4. COMMISSION INCOME	496.	.490	.449	-8.5
5. ATTRIBUTABLE BENEFITS	426.	.000	.443	999999.9
6. FARMING AND FISHING INCOME	37.	.232	.238	2.5
TOTAL, LABOR INCOME	24724.	.457	.443	-3.1
7. DIVIDENDS FROM RESIDENT COMPANIES	20702.	.619	.425	-31.4
8. OTHER CORPORATE INCOME	90846.	.322	.385	19.7
9. CAPITAL GAINS ON EQUITY INVESTMENTS	30019.	.000	.312	999999.9
TOTAL, CORPORATE INCOME	141567.	.297	.375	26.4
10. UNINCORPORATED BUSINESS INCOME	3272.	.394	.340	-13.9
TOTAL, BUSINESS INCOME	144839.	.299	.374	25.2
11. RENTAL INCOME	3322.	.208	.337	62.0
12. OTHER CANADIAN INVESTMENT INCOME	19748.	.302	.451	49.4
13. NON-BUSINESS CAPITAL GAINS	2209.	.000	.347	999999.9
14. FOREIGN INVESTMENT INCOME	2432.	.177	.216	22.3
15. DEDUCTIONS FROM INVESTMENT INCOME	-1309.	.354	.431	21.9
TOTAL, OTHER INVESTMENT INCOME	26401.	.250	.407	62.5
16. GIFTS AND BEQUESTS	29990.	.126	.448	255.5
17. TRANSFER PAYMENTS RECEIVED	364.	.364	.451	24.0
18. INSURANCE PROCEEDS	0.	.000	.000	.0
19. ALIMONY RECEIVED	0.	.000	.000	.0
20. MISCELLANEOUS INCOME	4154.	.359	.433	20.6
TOTAL, OTHER INCOME	34508.	.157	.447	185.1
TOTAL INCOME	230471.	.289	.396	37.1

TABLE B-20

AVERAGE EFFECTIVE RATES OF TAX ON EACH INCOME COMPONENT
FOR TAX UNITS IN INCOME CLASS 20

	ACCRUED INCOME (\$000)	EFFECTIVE TAX RATES CURRENT	EFFECTIVE TAX RATES PROPOSED	PERCENT CHANGE
1. WAGES AND SALARIES	17554.	.476	.464	-2.4
2. EMPLOYMENT EXPENSE DEDUCTIONS	-243.	.004	.468	12161.8
3. PROFESSIONAL INCOME	2113.	.539	.463	-14.2
4. COMMISSION INCOME	195.	.437	.469	7.3
5. ATTRIBUTABLE BENEFITS	266.	.000	.468	999999.9
6. FARMING AND FISHING INCOME	-77.	.306	.483	58.0
TOTAL, LABOR INCOME	19808.	.482	.464	-3.7
7. DIVIDENDS FROM RESIDENT COMPANIES	42064.	.698	.450	-35.6
8. OTHER CORPORATE INCOME	184585.	.322	.407	26.7
9. CAPITAL GAINS ON EQUITY INVESTMENTS	60993.	.000	.330	999999.9
TOTAL, CORPORATE INCOME	287643.	.309	.397	28.7
10. UNINCORPORATED BUSINESS INCOME	1323.	.460	.357	-22.4
TOTAL, BUSINESS INCOME	288966.	.309	.397	28.4
11. RENTAL INCOME	2064.	.251	.351	39.6
12. OTHER CANADIAN INVESTMENT INCOME	31707.	.404	.477	18.1
13. NON-BUSINESS CAPITAL GAINS	3739.	.000	.367	999999.9
14. FOREIGN INVESTMENT INCOME	4759.	.211	.185	-12.7
15. DEDUCTIONS FROM INVESTMENT INCOME	-2518.	.390	.459	17.8
TOTAL, OTHER INVESTMENT INCOME	39750.	.336	.426	26.9
16. GIFTS AND BEQUESTS	44987.	.124	.475	281.5
17. TRANSFER PAYMENTS RECEIVED	289.	.420	.471	12.0
18. INSURANCE PROCEEDS	0.	.000	.000	.0
19. ALIMONY RECEIVED	0.	.000	.000	.0
20. MISCELLANEOUS INCOME	7916.	.395	.460	16.3
TOTAL, OTHER INCOME	53192.	.166	.473	184.1
TOTAL INCOME	401717.	.301	.413	37.1

TABLE B-21

AVERAGE EFFECTIVE RATES OF TAX ON EACH INCOME COMPONENT FOR ALL
RESIDENT INDIVIDUALS WHO FILED TAX RETURNS IN 1964

	ACCRUED INCOME (\$000)	EFFECTIVE TAX RATES CURRENT	EFFECTIVE TAX RATES PROPOSED	PERCENT CHANGE
1. WAGES AND SALARIES	22382963.	.097	.089	-8.3
2. EMPLOYMENT EXPENSE DEDUCTIONS	-803860.	.004	.147	3895.4
3. PROFESSIONAL INCOME	686443.	.242	.221	-8.8
4. COMMISSION INCOME	410899.	.130	.122	-5.9
5. ATTRIBUTABLE BENEFITS	530443.	.000	.108	999999.9
6. FARMING AND FISHING INCOME	601171.	.080	.076	-4.0
TOTAL, LABOR INCOME	23808058.	.103	.092	-10.6
7. DIVIDENDS FROM RESIDENT COMPANIES	471353.	.450	.255	-43.3
8. OTHER CORPORATE INCOME	1897567.	.321	.236	-26.3
9. CAPITAL GAINS ON EQUITY INVESTMENTS	683462.	.000	.187	999999.9
TOTAL, CORPORATE INCOME	3052382.	.269	.228	-15.1
10. UNINCORPORATED BUSINESS INCOME	1449020.	.087	.085	-2.4
TOTAL, BUSINESS INCOME	4501402.	.210	.182	-13.4
11. RENTAL INCOME	274331.	.078	.157	100.9
12. OTHER CANADIAN INVESTMENT INCOME	1647377.	.075	.172	129.7
13. NON-BUSINESS CAPITAL GAINS	112648.	.000	.153	999999.9
14. FOREIGN INVESTMENT INCOME	39851.	-.072	-.037	-48.5
15. DEDUCTIONS FROM INVESTMENT INCOME	-30896.	.234	.271	15.6
TOTAL, OTHER INVESTMENT INCOME	2043309.	.066	.163	147.9
16. GIFTS AND BEQUESTS	1200080.	.119	.223	87.0
17. TRANSFER PAYMENTS RECEIVED	834366.	.029	.074	158.7
18. INSURANCE PROCEEDS	0.	.000	.000	.0
19. ALIMONY RECEIVED	19066.	.071	.083	17.9
20. MISCELLANEOUS INCOME	68446.	.328	.382	16.7
TOTAL, OTHER INCOME	2121957.	.090	.168	87.2
TOTAL INCOME	32474726.	.114	.114	-.5

APPENDIX C

INCOME FROM MAJOR SOURCE COMPONENTS FOR RESIDENT INDIVIDUALS CLASSIFIED BY INCOME AND BY IMPORTANCE OF SOURCE

The purpose of this appendix and Appendices D and F is to show the Commission's proposals upon the taxation of income derived from various major economic categories of income sources. The income components analyzed are the following:

1. Income from wage and salary employment. Included in this category are benefits attributable to employees as well as wage and salary income, less employment expenses allowable under the Commission's proposals.
2. Income from self-employment. This component includes professional and commission income arising from self-employment, as defined on tax returns. Income is defined as net of all expenses except those deemed to be attributable to taxpayers as personal benefits under the Commission's proposals.
3. Income from farming and fishing. As defined under current tax law.
4. Unincorporated business income. This type of income is defined to be the sum of net income from unincorporated businesses as reported in 1964, estimated capital gains realized by such businesses, and expenses estimated to be attributable to taxpayers as personal expenses, less an estimate of the combined effect of the acceleration of capital cost allowances for new and small businesses and of the extension of loss carry-over provisions.

5. Corporate source income. This component of income is defined to be the sum of dividends, retained currently taxed corporate profits, taxable corporate income currently paid out in taxes, currently untaxed corporate income added to the tax base by the Commission's proposals, and capital gains on corporate stock realized by individuals. It is in other words equal to before-tax corporation income as defined under the comprehensive tax base, plus the sum of goodwill gains and reported net income not taxed when accrued under the Commission's proposals. No investment expenses have been allocated against corporate source income; all such expenses have been offset against fixed investment income currently reported (and other Canadian investment income if all such expenses cannot be offset against currently reported fixed investment income alone).
6. Fixed investment income currently reported. Annuity income, interest, and estate income (exclusive of dividends), as defined and reported under current tax law, less investment expenses deducted (exclusive of stockholder depletion allowances).
7. Other Canadian investment income. This category includes net rental income, capital gains on real estate in excess of exemptions for homeowners, life insurance investment income attributable to policyholders, participating dividends, capital gains on fixed-income investments and Canadian investment income from additional sources.

Each component of income is measured on an accrual basis to the extent possible; such measurement requires estimation both of the extent to which 1964 assessable income would have been changed by the adoption of the

comprehensive tax base proposed by the Commission and of the extent of income accrued beyond what would be assessable under the proposed comprehensive base. The estimates of such changes are defined in programs listed in A General Income Tax Analyzer; each component of income is defined in sub-routine COMSET.

Estimates of income accrued in each component by all resident individuals filing tax returns in 1964 are presented in Tables C-1 to C-7. Individuals are classified both by income (defined as comprehensive-base assessable income less proposed concessionary allowances) and by the ratio of their income from the component analyzed in the table to their total income. Income classes are as defined in Table 3 above. Individuals with non-positive total accrued income are excluded from the tabulations.

Incomes are shown in thousands of dollars. Some figures do not add to totals because of rounding.

TABLE C-1

INCOME FROM WAGE AND SALARY EMPLOYMENT FOR ALL RESIDENT
INDIVIDUALS FILING TAX RETURNS IN 1964
(thousands of dollars)

INCOME CLASS	0-5	5-10	10-15	15-20	20-30	30-50	50-100	TOTAL
1	351.	220.	540.	601.	999.	2894.	383865.	389470.
2	1318.	3904.	4165.	2198.	4849.	6481.	1081425.	1104340.
3	3259.	11176.	8898.	7469.	15629.	37048.	2215323.	2298802.
4	4079.	10097.	10744.	4067.	14276.	35518.	3304622.	3383403.
5	3763.	6630.	12109.	6593.	5089.	28427.	3927641.	3990251.
6	3453.	5566.	10997.	5536.	6735.	14171.	2948949.	2995408.
7	3998.	10839.	13337.	6567.	8033.	35178.	3633796.	3711746.
8	3689.	5058.	7339.	4568.	12399.	28726.	1424781.	1486760.
9	4026.	3900.	3802.	2111.	7400.	20854.	501061.	543156.
10	6511.	8818.	6107.	1467.	6809.	21267.	554349.	605328.
11	9390.	8689.	4756.	1417.	6919.	17723.	439982.	488876.
12	7130.	4808.	3246.	4510.	4059.	17474.	182271.	223497.
13	9391.	7409.	3504.	5874.	5556.	22522.	200236.	254493.
14	7875.	8555.	4460.	3003.	8334.	29807.	120162.	182196.
15	6898.	7415.	3151.	2858.	4005.	43425.	77293.	145045.
16	3259.	4571.	2020.	803.	3544.	29406.	9960.	53563.
17	4332.	4818.	2195.	1825.	2091.	36231.	5173.	58666.
18	1315.	2799.	547.	510.	1207.	12540.	1833.	20752.
19	2417.	3712.	881.	484.	1926.	7834.	2540.	19795.
20	4742.	4606.	585.	1249.	2187.	2255.	1932.	17555.
TOTAL	91395.	123591.	103384.	63713.	122045.	451783.	21017195.	21973105.

TABLE C-2

INCOME FROM SELF-EMPLOYMENT FOR ALL RESIDENT
INDIVIDUALS FILING TAX RETURNS IN 1964
(thousands of dollars)

INCOME CLASS	0-5	5-10	PROPORTION OF INCOME FROM SELF-EMPLOYMENT				30-50	50-100	TOTAL
			10-15	15-20	20-30				
1	354.	173.	75.	-25.	510.	519.	685.	2291.	
2	2049.	504.	288.	851.	1418.	1540.	6023.	12673.	
3	6019.	1417.	2670.	1488.	3204.	2982.	12759.	30538.	
4	7543.	2749.	4982.	2759.	2148.	6628.	21309.	48119.	
5	9544.	1137.	2351.	4461.	7570.	7727.	23944.	56733.	
6	9069.	839.	1000.	2323.	9535.	8173.	26405.	57344.	
7	11309.	4382.	1591.	2534.	4562.	27916.	45588.	97882.	
8	6899.	2781.	2956.	1879.	2627.	21679.	42978.	81800.	
9	3842.	1369.	1610.	1153.	4004.	9162.	23521.	44661.	
10	4663.	1700.	2262.	694.	5934.	26988.	48307.	90548.	
11	5085.	961.	3014.	2008.	7422.	20156.	86898.	125543.	
12	3393.	862.	1013.	2527.	4912.	6832.	73865.	93403.	
13	4099.	1571.	1716.	2147.	4129.	13676.	133981.	161319.	
14	3134.	668.	1974.	1653.	6147.	11226.	102895.	127698.	
15	2350.	414.	1593.	1589.	3808.	14063.	49057.	72874.	
16	1100.	201.	298.	1133.	1977.	6763.	33033.	44506.	
17	1183.	615.	426.	828.	2907.	5256.	11121.	22336.	
18	624.	46.	26.	334.	284.	1438.	4635.	7388.	
19	451.	97.	507.	129.	825.	1641.	1229.	4880.	
20	427.	74.	60.	226.	207.	744.	608.	2346.	
TOTAL	63137.	22560.	30410	30691.	74131.	195111.	748839.	1184880.	

TABLE C-3

INCOME FROM FARMING AND FISHING FOR ALL RESIDENT
INDIVIDUALS FILING TAX RETURNS IN 1964
(thousands of dollars)

INCOME CLASS	0-5	5-10	PROPORTION OF INCOME FROM FARMING AND FISHING				50-100	TOTAL
			10-15	15-20	20-30	30-50		
1	479.	155.	294.	-72.	-1229.	-274.	-17733.	-18379.
2	2798.	1358.	244.	187.	1134.	2899.	34322.	42941.
3	4882.	1724.	1737.	1331.	1412.	8175.	98556.	117817.
4	6074.	1838.	1262.	221.	626.	5818.	76830.	92669.
5	6814.	466.	530.	86.	73.	2535.	77261.	87763.
6	3926.	552.	539.	219.	197.	4338.	51978.	61749.
7	6441.	1591.	39.	100.	33.	3801.	70438.	82444.
8	2101.	1617.	1360.	0.	349.	2086.	44742.	52255.
9	1391.	452.	741.	4.	784.	2537.	17783.	23691.
10	1872.	314.	638.	145.	210.	1126.	30715.	35021.
11	1875.	590.	450.	77.	133.	1733.	22302.	27159.
12	1308.	242.	9.	36.	111.	975.	9951.	12633.
13	1229.	61.	220.	138.	265.	2080.	4962.	8956.
14	1048.	95.	22.	191.	235.	1160.	2216.	4967.
15	337.	77.	17.	58.	229.	226.	406.	1351.
16	81.	0.	0.	0.	0.	164.	271.	516.
17	121.	0.	0.	58.	108.	126.	265.	678.
18	55.	61.	76.	0.	0.	0.	0.	191.
19	17.	52.	0.	46.	0.	0.	132.	246.
20	1.	0.	0.	0.	0.	123.	0.	124.
TOTAL	42850.	11246.	8178.	2825.	4669.	39628.	525395.	634791.

TABLE C-4

INCOME FROM UNINCORPORATED BUSINESS PROFIT FOR ALL
RESIDENT INDIVIDUALS FILING TAX RETURNS IN 1964
(thousands of dollars)

INCOME CLASS	PROPORTION OF INCOME FROM UNINCORPORATED BUSINESS PROFIT					TOTAL
	0-5	5-10	10-15	15-20	20-30	30-50
1	1219.	771.	-240.	-173.	306.	87.
2	4780.	918.	2063.	1121.	2395.	4494.
3	7822.	3791.	573.	2841.	1368.	24334.
4	7941.	761.	2835.	3692.	9294.	27653.
5	7176.	1477.	692.	3903.	14156.	31948.
6	4005.	892.	59.	5831.	19259.	21207.
7	4682.	2345.	1846.	4257.	17898.	64631.
8	1968.	380.	765.	889.	6493.	47500.
9	833.	637.	386.	387.	8138.	20429.
10	1039.	235.	498.	2476.	7874.	35835.
11	1193.	703.	1260.	3503.	24937.	19471.
12	599.	715.	1875.	8948.	7355.	5035.
13	1448.	3553.	8057.	6393.	3579.	2658.
14	1579.	3483.	2113.	3418.	755.	3080.
15	1317.	1257.	2342.	1106.	389.	4507.
16	751.	853.	57.	250.	814.	1242.
17	597.	179.	791.	756.	302.	3477.
18	155.	0.	225.	62.	452.	526.
19	226.	77.	0.	275.	205.	373.
20	209.	201.	106.	0.	429.	368.
TOTAL	49540.	23229.	26302.	49935.	126399.	318856.
						907381.
						1501641.

TABLE C-5
INCOME FROM CORPORATE SOURCES FOR ALL RESIDENT
INDIVIDUALS FILING TAX RETURNS IN 1964
(thousands of dollars)

INCOME CLASS	0-5	5-10	PROPORTION OF INCOME FROM CORPORATE SOURCES				30-50	50-100	TOTAL
			10-15	15-20	20-30				
1	2134.	789.	5056.	5431.	2509.	8369.	1115.	25403.	
2	8241.	14498.	7767.	4966.	2866.	865.	566.	39768.	
3	18214.	18402.	12815.	5782.	3073.	6560.	697.	65542.	
4	31638.	6075.	5741.	8199.	8904.	5258.	1937.	67752.	
5	30863.	14325.	13624.	4487.	7900.	20501.	1900.	93601.	
6	22740.	16344.	7923.	2844.	14534.	15698.	6352.	86433.	
7	45832.	16322.	12855.	12568.	19318.	32484.	9065.	148443.	
8	25894.	16689.	16268.	5931.	17640.	35671.	6191.	124284.	
9	12372.	15359.	5755.	7145.	13970.	50518.	11897.	117017.	
10	13508.	28978.	14814.	9507.	9884.	40195.	38496.	155382.	
11	5273.	29892.	28228.	11841.	18824.	29184.	79853.	203095.	
12	2500.	7829.	16896.	26125.	16354.	31628.	58529.	159861.	
13	4829.	5631.	17272.	24381.	48610.	41103.	102499.	244326.	
14	1674.	5200.	8316.	20329.	41377.	39850.	197091.	313838.	
15	315.	2897.	2371.	8181.	49251.	40600.	189103.	292718.	
16	453.	1144.	2370.	4125.	16024.	22165.	122207.	168488.	
17	301.	294.	959.	952.	10560.	40686.	150708.	204461.	
18	81.	149.	269.	1321.	948.	20378.	84359.	107505.	
19	72.	319.	161.	259.	1299.	12197.	127260.	141567.	
20	43.	105.	99.	153.	1141.	7435.	278667.	287643.	
TOTAL	226976.	201241.	179558.	164528.	304986.	501347.	1468492.	3047128.	

TABLE C-6

INCOME FROM FIXED-INCOME INVESTMENTS FOR ALL RESIDENT
INDIVIDUALS FILING TAX RETURNS IN 1964
(thousands of dollars)

INCOME CLASS	PROPORTION OF INCOME FROM FIXED-INCOME INVESTMENTS					50-100	TOTAL
	0-5	5-10	10-15	15-20	20-30	30-50	
1	2058.	620.	234.	1133.	406.	68.	4615.
2	8850.	3981.	1052.	1820.	1559.	124.	17386.
3	18794.	10920.	6846.	3961.	3803.	292.	44665.
4	23271.	9420.	4576.	7843.	3196.	450.	48755.
5	26445.	11478.	9089.	7742.	4802.	1131.	60686.
6	22405.	5831.	2677.	20534.	590.	276.	52314.
7	34468.	7699.	9039.	23301.	2187.	1210.	77904.
8	19942.	4957.	5253.	13481.	3892.	528.	48053.
9	8605.	4702.	4214.	21012.	1142.	613.	40287.
10	13330.	5826.	12830.	7181.	4697.	2235.	46100.
11	13270.	7088.	16165.	7294.	4150.	1675.	49642.
12	8805.	5070.	13357.	3478.	2903.	1408.	35021.
13	11216.	6477.	14078.	8341.	1779.	1151.	43043.
14	10227.	10092.	20200.	1987.	1322.	447.	44276.
15	8515.	13476.	11747.	750.	344.	270.	35103.
16	3491.	9964.	6487.	258.	269.	196.	20687.
17	4690.	12387.	4785.	668.	532.	179.	23242.
18	1506.	8454.	1005.	308.	293.	0.	11566.
19	1513.	10356.	1019.	417.	345.	77.	13727.
20	4265.	10948.	3146.	2614.	1617.	466.	23056.
TOTAL	245668.	159768.	147799.	134123.	39829.	12796.	740127.

TABLE C-7

INCOME FROM OTHER INVESTMENT SOURCES FOR ALL RESIDENT
INDIVIDUALS FILING TAX RETURNS IN 1964
(thousands of dollars)

INCOME CLASS	0-5	5-10	PROPORTION OF INCOME FROM OTHER INVESTMENT SOURCES				50-100	TOTAL
			10-15	15-20	20-30	30-50		
1	1789.	1035.	269.	38.	1225.	597.	-13466.	-8514.
2	7217.	5886.	1202.	1930.	1215.	7097.	1480.	26027.
3	17698.	14700.	7566.	933.	3968.	14789.	3771.	63426.
4	37809.	12462.	1915.	2135.	7720.	21602.	2713.	86355.
5	72866.	17391.	2229.	1556.	24697.	12660.	2868.	134266.
6	66587.	14695.	4519.	3218.	19779.	12297.	3117.	124212.
7	103551.	24414.	8907.	5409.	32161.	14695.	2703.	191839.
8	51278.	17261.	5552.	12935.	16293.	5008.	2803.	111129.
9	20510.	9469.	5758.	15503.	13146.	2678.	2248.	69313.
10	24841.	19220.	11373.	10529.	7122.	5161.	1048.	79295.
11	22136.	22281.	15443.	8282.	7329.	9085.	1426.	85981.
12	10956.	19275.	7532.	6260.	6051.	3518.	484.	54075.
13	14984.	21976.	14765.	5546.	9315.	3232.	354.	70172.
14	14785.	23889.	13279.	7891.	1912.	387.	212.	62356.
15	9412.	22206.	13284.	3617.	686.	545.	169.	49919.
16	5522.	11500.	5594.	1178.	1091.	346.	48.	25279.
17	4021.	16609.	2746.	1896.	415.	177.	77.	25940.
18	3914.	3446.	2136.	286.	761.	0.	376.	10920.
19	5325.	3553.	838.	383.	119.	108.	0.	10326.
20	8648.	3126.	271.	110.	0.	0.	459.	12613.
TOTAL	503850.	234392.	125177.	89634.	155005.	113980.	12889.	1284927.

APPENDIX D

CURRENT AND PROPOSED AVERAGE RATES OF TAX ON INCOME FROM MAJOR SOURCE COMPONENTS FOR RESIDENT INDIVIDUALS CLASSIFIED BY INCOME AND BY IMPORTANCE OF SOURCE

This appendix presents data on the ratio of average direct taxes paid by resident individuals on major income components to average income from each component, both under the current tax system and under the tax system proposed by the Commission. Source components are defined as in Appendix C. Income is defined as accrued income.

As in Appendix B, direct taxes attributable to each income component are estimated by prorating personal income taxes before tax credits over currently assessable income, and then deducting tax credits and adding other taxes as appropriate.

Average current tax rates for resident individuals classified by comprehensive income less concessionary allowances and by importance of income from each component are shown in Tables D-1 to D-7. Average tax rates under the proposed tax system are shown in Tables D-8 to D-14. All average tax rates are defined as ratios of direct taxes to accrued income from the stated source. The income classification is as defined in Table 3 above.

TABLE D-1

CURRENT AVERAGE TAX RATES ON INCOME FROM WAGE AND SALARY EMPLOYMENT

INCOME CLASS	PROPORTION OF INCOME FROM WAGE AND SALARY EMPLOYMENT						TOTAL
	0-5	5-10	10-15	15-20	20-30	30-50	
1	.003	.002	.000	.003	.060	.004	.002
2	.010	.010	.004	.007	.012	.010	.029
3	.016	.013	.019	.022	.020	.022	.058
4	.036	.025	.031	.031	.033	.036	.073
5	.043	.051	.050	.036	.053	.057	.082
6	.066	.075	.065	.069	.063	.063	.092
7	.088	.093	.095	.112	.100	.095	.111
8	.110	.119	.124	.125	.122	.125	.137
9	.126	.132	.140	.151	.147	.145	.152
10	.147	.161	.147	.143	.154	.165	.163
11	.181	.173	.175	.156	.171	.179	.184
12	.203	.204	.178	.194	.193	.214	.211
13	.237	.218	.196	.236	.222	.246	.243
14	.257	.241	.250	.266	.279	.293	.281
15	.288	.276	.283	.321	.268	.331	.325
16	.324	.307	.336	.360	.358	.376	.367
17	.353	.345	.371	.368	.384	.396	.392
18	.374	.379	.390	.394	.417	.441	.429
19	.400	.398	.423	.424	.415	.481	.454
20	.464	.452	.510	.429	.441	.508	.475
TOTAL	.202	.167	.115	.139	.139	.200	.099
							.096

TABLE D-2
CURRENT AVERAGE TAX RATES ON INCOME FROM SELF-EMPLOYMENT

INCOME CLASS	0-5	5-10	10-15	15-20	20-30	30-50	50-100	TOTAL
1	.000	.067	.000	.000	.006	.000	.018	.012
2	.023	.009	.005	.016	.017	.014	.014	.015
3	.035	.020	.003	.026	.035	.042	.034	.031
4	.044	.020	.016	.019	.039	.068	.053	.046
5	.063	.039	.029	.031	.038	.074	.061	.056
6	.076	.056	.047	.062	.042	.076	.083	.072
7	.099	.077	.072	.084	.073	.085	.104	.095
8	.121	.103	.094	.106	.119	.101	.127	.117
9	.138	.110	.116	.109	.114	.120	.138	.130
10	.148	.126	.121	.136	.131	.134	.153	.144
11	.173	.160	.146	.127	.141	.154	.178	.170
12	.193	.175	.146	.166	.174	.182	.206	.200
13	.222	.199	.198	.201	.212	.222	.244	.239
14	.253	.246	.250	.244	.255	.268	.290	.284
15	.282	.273	.333	.288	.310	.324	.336	.327
16	.306	.344	.376	.349	.350	.363	.380	.373
17	.343	.377	.405	.354	.383	.403	.438	.411
18	.377	.376	.427	.392	.418	.453	.489	.462
19	.392	.422	.405	.359	.480	.475	.537	.472
20	.437	.330	.445	.506	.518	.563	.584	.526
TOTAL	.124	.109	.110	.129	.145	.166	.209	.185

TABLE D-3

CURRENT AVERAGE TAX RATES ON INCOME FROM FARMING AND FISHING

INCOME CLASS	PROPORTION OF INCOME FROM FARMING AND FISHING						TOTAL
	0-5	5-10	10-15	15-20	20-30	30-50	
1	.002	.000	.000	.000	.000	.000	.000
2	.020	.015	.000	.002	.002	.000	.007
3	.043	.004	.004	.004	.002	.022	.011
4	.061	.006	.011	.046	.002	.051	.025
5	.076	.040	.007	.047	.103	.075	.049
6	.083	.061	.033	.002	.056	.100	.073
7	.102	.097	.134	.125	.095	.122	.104
8	.126	.120	.137	.000	.161	.109	.130
9	.136	.147	.128	.149	.158	.136	.149
10	.151	.153	.159	.149	.172	.155	.161
11	.174	.168	.162	.174	.161	.191	.189
12	.193	.183	.147	.210	.217	.217	.220
13	.230	.207	.164	.146	.254	.260	.261
14	.269	.271	.218	.251	.300	.289	.292
15	.298	.237	.290	.288	.314	.288	.389
16	.296	.000	.000	.000	.000	.376	.297
17	.341	.000	.000	.355	.387	.405	.278
18	.335	.430	.417	.000	.000	.000	.000
19	.426	.278	.000	.222	.000	.000	.494
20	.481	.000	.000	.000	.000	.574	.000
TOTAL	.098	.071	.071	.068	.116	.101	.076
							.079

TABLE D-4

CURRENT AVERAGE TAX RATES ON INCOME FROM
UNINCORPORATED BUSINESS PROFIT

INCOME CLASS	0-5	5-10	10-15	15-20	20-30	30-50	50-100	TOTAL
1	.002	.000	.000	.000	.000	.025	.000	.000
2	.022	.007	.020	.009	.003	.009	.010	.011
3	.036	.027	.036	.045	.018	.013	.012	.015
4	.060	.044	.050	.053	.038	.017	.021	.024
5	.070	.093	.071	.072	.043	.040	.033	.039
6	.075	.101	.064	.075	.061	.049	.048	.052
7	.096	.102	.078	.087	.088	.074	.076	.077
8	.111	.103	.112	.125	.100	.096	.097	.097
9	.113	.124	.131	.126	.114	.112	.113	.113
10	.120	.102	.129	.126	.131	.125	.125	.125
11	.142	.139	.157	.146	.151	.145	.146	.147
12	.157	.167	.171	.172	.169	.158	.173	.170
13	.181	.203	.202	.199	.200	.187	.200	.199
14	.219	.236	.231	.233	.230	.237	.242	.237
15	.237	.269	.265	.267	.262	.265	.279	.267
16	.282	.308	.291	.267	.308	.300	.296	.297
17	.293	.322	.324	.322	.359	.326	.377	.341
18	.333	.000	.283	.374	.375	.389	.396	.375
19	.310	.396	.000	.384	.390	.403	.400	.392
20	.393	.409	.492	.000	.434	.438	.466	.434
TOTAL	.087	.141	.161	.135	.104	.086	.076	.085

TABLE D-5

CURRENT AVERAGE TAX RATES ON INCOME FROM CORPORATE SOURCES

INCOME CLASS	PROPORTION OF INCOME FROM CORPORATE SOURCES					TOTAL
	0-5	5-10	10-15	15-20	20-30	
1	.254	.256	.257	.256	.256	.256
2	.247	.256	.256	.255	.253	.254
3	.247	.256	.253	.255	.255	.253
4	.246	.251	.250	.247	.254	.249
5	.246	.247	.247	.247	.256	.249
6	.245	.245	.247	.250	.251	.248
7	.247	.247	.248	.248	.247	.248
8	.249	.249	.250	.252	.249	.249
9	.249	.252	.250	.252	.251	.250
10	.250	.251	.254	.252	.248	.251
11	.254	.256	.256	.255	.257	.254
12	.240	.261	.260	.261	.259	.256
13	.268	.268	.266	.266	.266	.260
14	.285	.285	.283	.283	.282	.265
15	.284	.290	.291	.290	.289	.273
16	.287	.299	.290	.298	.295	.282
17	.283	.308	.301	.303	.298	.289
18	.291	.304	.288	.298	.305	.293
19	.249	.306	.316	.318	.307	.297
20	.061	.100	.292	.325	.319	.309
TOTAL	.248	.254	.257	.263	.269	.269
					.277	

TABLE D-6

CURRENT AVERAGE TAX RATES ON INCOME FROM
FIXED-INCOME INVESTMENTS

INCOME CLASS	PROPORTION OF INCOME FROM FIXED-INCOME INVESTMENTS					50-100	TOTAL
	0-5	5-10	10-15	15-20	20-30	30-50	
1	.005	.003	.029	.002	.039	.000	.008
2	.023	.011	.010	.005	.001	.000	.016
3	.043	.027	.020	.019	.015	.000	.031
4	.069	.045	.025	.029	.028	.000	.050
5	.089	.071	.037	.042	.044	.000	.067
6	.103	.092	.065	.058	.019	.000	.080
7	.121	.110	.086	.072	.055	.000	.098
8	.142	.126	.104	.088	.088	.000	.116
9	.154	.151	.121	.109	.101	.000	.124
10	.166	.155	.134	.136	.113	.000	.142
11	.186	.170	.150	.149	.140	.000	.162
12	.213	.192	.162	.175	.170	.000	.181
13	.247	.204	.181	.184	.167	.000	.200
14	.277	.223	.207	.218	.223	.000	.228
15	.318	.265	.260	.266	.274	.000	.276
16	.362	.303	.286	.330	.306	.000	.309
17	.385	.338	.326	.352	.373	.000	.347
18	.422	.369	.383	.398	.422	.000	.379
19	.420	.398	.422	.453	.377	.000	.404
20	.483	.487	.553	.632	.583	.000	.519
TOTAL	.150	.215	.167	.105	.119	.000	.157

TABLE D-7

CURRENT AVERAGE TAX RATES ON INCOME FROM
OTHER INVESTMENT SOURCES

INCOME CLASS	PROPORTION OF INCOME FROM OTHER INVESTMENT SOURCES					TOTAL
	0-5	5-10	10-15	15-20	20-30	
1	-.000	.000	.000	.040	.002	.029
2	-.001	.002	.000	.001	.001	.006
3	.001	.002	.001	.004	.001	.002
4	-.002	.004	.005	.006	.006	.005
5	-.002	.008	.008	.018	.008	.007
6	-.000	.006	.015	.010	.009	.011
7	.001	.009	.017	.013	.014	.016
8	.002	.010	.024	.016	.020	.046
9	-.001	.014	.016	.014	.028	.057
10	.002	.016	.016	.023	.030	.070
11	.002	.018	.022	.032	.044	.048
12	.002	.019	.028	.038	.051	.082
13	.001	.026	.039	.052	.063	.114
14	.003	.032	.060	.071	.080	.131
15	.004	.049	.076	.098	.109	.139
16	.007	.062	.097	.113	.129	.159
17	.005	.076	.113	.127	.170	.161
18	.014	.078	.134	.142	.174	.245
19	.022	.091	.143	.179	.193	.212
20	.024	.060	.089	.080	.000	.301
TOTAL	.001	.025	.039	.034	.023	.074
						.017

TABLE D-8

PROPOSED AVERAGE TAX RATES ON INCOME FROM
WAGE AND SALARY EMPLOYMENT

INCOME CLASS	PROPORTION OF INCOME FROM WAGE AND SALARY EMPLOYMENT					TOTAL
	0-5	5-10	10-15	15-20	20-30	
1	.003	.003	.002	.003	.001	.000
2	.021	.027	.011	.027	.023	.013
3	.036	.032	.031	.043	.041	.046
4	.066	.027	.037	.055	.056	.062
5	.088	.059	.058	.042	.055	.072
6	.110	.076	.078	.084	.081	.082
7	.128	.110	.102	.103	.115	.097
8	.141	.127	.117	.136	.126	.120
9	.167	.143	.148	.131	.155	.139
10	.183	.159	.157	.157	.159	.154
11	.191	.189	.191	.178	.174	.174
12	.211	.208	.209	.198	.217	.199
13	.239	.236	.236	.226	.242	.226
14	.282	.287	.284	.282	.274	.271
15	.329	.327	.316	.314	.307	.319
16	.370	.367	.364	.369	.362	.365
17	.409	.404	.399	.392	.396	.394
18	.431	.431	.426	.416	.426	.425
19	.450	.448	.443	.439	.437	.444
20	.474	.473	.469	.450	.450	.464
TOTAL	.229	.188	.128	.147	.151	.087
						.083
						.202

TABLE D-9
PROPOSED AVERAGE TAX RATES ON INCOME FROM SELF-EMPLOYMENT

INCOME CLASS	0-5	5-10	10-15	15-20	20-30	30-50	50-100	TOTAL
1	.001	.001	.006	.000	.000	.001	.002	.001
2	.020	.013	.028	.028	.026	.028	.018	.021
3	.038	.036	.004	.036	.047	.049	.034	.035
4	.048	.025	.034	.018	.046	.079	.052	.049
5	.066	.045	.049	.053	.041	.082	.058	.059
6	.082	.064	.072	.069	.055	.088	.081	.077
7	.101	.088	.095	.123	.092	.100	.103	.101
8	.120	.121	.114	.139	.139	.115	.121	.120
9	.141	.138	.141	.141	.135	.130	.139	.137
10	.154	.161	.145	.181	.159	.150	.154	.153
11	.175	.185	.177	.161	.173	.173	.175	.174
12	.199	.224	.191	.186	.209	.193	.194	.195
13	.230	.231	.243	.234	.242	.232	.219	.222
14	.278	.297	.273	.280	.271	.270	.262	.264
15	.323	.322	.303	.313	.329	.320	.305	.310
16	.369	.369	.367	.351	.361	.360	.348	.351
17	.400	.395	.405	.394	.392	.389	.390	.391
18	.429	.399	.408	.411	.423	.427	.423	.424
19	.447	.442	.445	.430	.449	.429	.445	.440
20	.472	.455	.462	.462	.465	.462	.460	.463
TOTAL	.131	.128	.136	.152	.163	.176	.194	.181

TABLE D-10

PROPOSED AVERAGE TAX RATES ON INCOME
FROM FARMING AND FISHING

INCOME CLASS	0-5	5-10	10-15	15-20	20-30	30-50	50-100	TOTAL
1	.000	.002	.002	.000	.000	.000	.000	.000
2	.011	.009	.006	.010	.005	.009	.009	.009
3	.040	.003	.002	.005	.004	.040	.013	.015
4	.057	.004	.013	.077	.002	.072	.018	.024
5	.073	.043	.007	.130	.125	.103	.048	.052
6	.080	.051	.037	.028	.059	.131	.069	.074
7	.097	.090	.153	.131	.073	.152	.096	.099
8	.122	.111	.124	.000	.171	.122	.120	.120
9	.140	.129	.121	.130	.121	.152	.140	.139
10	.154	.153	.156	.167	.159	.160	.151	.151
11	.176	.176	.206	.176	.163	.207	.173	.176
12	.198	.202	.213	.231	.242	.214	.193	.196
13	.226	.253	.239	.241	.268	.247	.222	.230
14	.271	.277	.313	.293	.287	.274	.252	.265
15	.314	.298	.318	.344	.338	.284	.323	.316
16	.364	.000	.000	.000	.000	.356	.270	.312
17	.394	.000	.000	.401	.401	.386	.306	.360
18	.415	.425	.431	.000	.000	.000	.000	.425
19	.445	.426	.000	.361	.000	.000	.425	.415
20	.476	.000	.000	.000	.000	.466	.000	.466
TOTAL	.096	.068	.073	.089	.114	.117	.071	.076

TABLE D-11

PROPOSED AVERAGE TAX RATES ON INCOME FROM
UNINCORPORATED BUSINESS PROFIT

INCOME CLASS	0-5	5-10	10-15	15-20	20-30	30-50	50-100	TOTAL
1	-.001	.000	.000	.000	.001	.013	.000	.000
2	.012	.009	.012	.013	.009	.011	.015	.014
3	.027	.027	.042	.048	.037	.015	.015	.017
4	.046	.047	.054	.055	.037	.022	.024	.026
5	.045	.099	.078	.076	.039	.046	.036	.040
6	.034	.113	.074	.078	.059	.055	.053	.055
7	.036	.101	.075	.094	.089	.077	.083	.081
8	.020	.098	.114	.133	.096	.096	.100	.098
9	-.020	.139	.127	.132	.110	.114	.115	.113
10	-.009	.110	.141	.143	.132	.128	.130	.128
11	.010	.173	.164	.148	.147	.151	.149	.148
12	.001	.186	.173	.166	.161	.166	.169	.166
13	.088	.195	.185	.191	.197	.216	.188	.188
14	.130	.224	.217	.225	.248	.249	.226	.223
15	.172	.254	.265	.266	.249	.267	.261	.255
16	.212	.298	.303	.285	.303	.299	.288	.284
17	.170	.330	.342	.324	.320	.325	.342	.322
18	.076	.000	.339	.364	.366	.359	.356	.339
19	.197	.371	.000	.374	.373	.376	.344	.342
20	.289	.401	.420	.000	.395	.387	.393	.381
TOTAL	.045	.140	.156	.135	.102	.089	.078	.085

TABLE D-12
PROPOSED AVERAGE TAX RATES ON INCOME FROM CORPORATE SOURCES

INCOME CLASS	0-5	5-10	10-15	15-20	20-30	30-50	50-100	TOTAL
1	.010	.011	.011	.012	.013	.013	.017	.012
2	.038	.024	.025	.025	.040	.027	.041	.029
3	.050	.027	.069	.067	.072	.084	.078	.053
4	.065	.062	.086	.092	.090	.101	.071	.076
5	.082	.105	.095	.115	.078	.119	.106	.097
6	.088	.110	.109	.090	.131	.134	.120	.112
7	.098	.119	.126	.114	.139	.145	.132	.122
8	.110	.116	.130	.142	.139	.153	.150	.133
9	.121	.129	.130	.150	.144	.168	.162	.151
10	.129	.136	.155	.163	.151	.179	.189	.164
11	.149	.150	.158	.169	.177	.185	.202	.180
12	.168	.169	.171	.178	.193	.195	.214	.195
13	.191	.195	.184	.194	.211	.219	.233	.217
14	.231	.228	.223	.225	.239	.251	.263	.254
15	.270	.261	.266	.266	.273	.284	.290	.285
16	.295	.298	.302	.309	.314	.311	.323	.320
17	.332	.336	.340	.341	.333	.337	.353	.349
18	.367	.353	.359	.364	.364	.362	.374	.372
19	.362	.371	.375	.379	.372	.379	.387	.386
20	.394	.387	.384	.399	.391	.387	.408	.408
TOTAL	.094	.119	.138	.166	.204	.218	.313	.239

TABLE D-13

PROPOSED AVERAGE TAX RATES ON INCOME
FROM FIXED-INCOME INVESTMENTS

INCOME CLASS	PROPORTION OF INCOME FROM FIXED-INCOME INVESTMENTS						TOTAL
	0-5	5-10	10-15	15-20	20-30	30-50	
1	.001	.002	.003	.004	.003	.001	.002
2	.027	.033	.032	.039	.033	.006	.030
3	.048	.051	.078	.066	.080	.065	.058
4	.071	.075	.088	.095	.104	.064	.079
5	.088	.097	.108	.119	.110	.114	.099
6	.103	.113	.119	.135	.068	.076	.117
7	.114	.134	.148	.146	.113	.099	.129
8	.134	.141	.165	.163	.158	.155	.148
9	.147	.164	.176	.183	.152	.141	.171
10	.162	.180	.213	.192	.158	.154	.183
11	.180	.208	.227	.210	.191	.215	.206
12	.203	.223	.240	.228	.234	.208	.225
13	.232	.254	.260	.270	.231	.244	.252
14	.279	.298	.302	.299	.298	.288	.295
15	.323	.336	.338	.333	.326	.336	.333
16	.365	.374	.377	.373	.357	.371	.373
17	.397	.414	.404	.404	.398	.399	.408
18	.430	.437	.432	.427	.438	.000	.436
19	.447	.454	.456	.443	.427	.450	.452
20	.480	.475	.484	.486	.475	.460	.478
TOTAL	.148	.256	.239	.171	.170	.186	.196

TABLE D-14

PROPOSED AVERAGE TAX RATES ON INCOME
FROM OTHER INVESTMENT SOURCES

INCOME CLASS	PROPORTION OF INCOME FROM OTHER INVESTMENT SOURCES					TOTAL
	0-5	5-10	10-15	15-20	20-30	
1	.001	.002	.004	.003	.007	.000
2	.027	.013	.020	.010	.032	.025
3	.047	.061	.054	.062	.055	.048
4	.071	.055	.073	.098	.066	.070
5	.079	.075	.096	.106	.060	.082
6	.085	.105	.136	.129	.078	.094
7	.098	.115	.126	.137	.087	.107
8	.116	.129	.154	.137	.100	.127
9	.136	.147	.171	.148	.115	.147
10	.147	.184	.187	.142	.133	.159
11	.167	.202	.189	.176	.140	.176
12	.187	.204	.186	.176	.166	.193
13	.215	.226	.195	.205	.185	.216
14	.260	.243	.238	.218	.203	.254
15	.306	.271	.265	.255	.245	.287
16	.346	.300	.295	.291	.286	.319
17	.376	.327	.318	.316	.302	.346
18	.398	.346	.339	.329	.329	.370
19	.408	.357	.358	.342	.349	.391
20	.428	.398	.362	.300	.359	.419
TOTAL	.127	.187	.195	.178	.138	.149

APPENDIX E

AVERAGE MARGINAL TAX RATES ON EACH DETAILED INCOME COMPONENT FOR RESIDENT INDIVIDUALS IN EACH INCOME CLASS

The tables in this appendix provide data on the average rates at which marginal incomes are taxed for resident individuals in each of 20 income classes who filed tax returns in 1964. Average marginal tax rates are presented for each component of income, with components being defined as in Appendices A and B. In all cases, average rates are computed by weighting each individual's marginal tax rate on a given income component by the amount of accrued income which that taxpayer derives from the component.

The marginal tax rate on a given income component for a taxpayer is defined for most income components as the personal income tax rate applicable to the last dollar of the taxpayer's taxable income, multiplied by the fraction of accrued income which is typically assessable under the tax law analyzed. Under the Commission's proposals, the only exceptions to this statement are foreign investment income, on which it is necessary to deduct foreign tax credits, and wage and salary income carried by a working mother, on which it is necessary to deduct the tax credit for working mothers if applicable to marginal income. Under the current tax system, on the other hand, the following adjustments are required in addition to deduction of the foreign tax credit: on dividends, deduction of dividend tax credits and addition of marginal corporate tax; on retained corporate income, addition of the marginal corporate tax; on gifts, substitution of the separate gift tax.

The calculations are detailed in the listings of subroutines BASCOM and MARTAB presented in Appendix A of A General Income Tax Analyzer.

Tables E-1 through E-20 present average marginal rates for all Canadian taxpayers falling into each of the 20 income classes described in Table 3 above. For all resident individuals combined who filed tax returns in 1964, similar results are shown in Table E-21. Accrued income is stated in thousands of dollars.

TABLE E-1

AVERAGE MARGINAL RATES ON EACH INCOME COMPONENT
FOR TAX UNITS IN INCOME CLASS 1

	ACCRUED INCOME (\$000)	AVERAGE MARGINAL RATES CURRENT	MARGINAL RATES PROPOSED	PERCENT CHANGE
1. WAGES AND SALARIES	414421.	.004	.092	2021.8
2. EMPLOYMENT EXPENSE DEDUCTIONS	-17680.	.000	.092	1409266.3
3. PROFESSIONAL INCOME	565.	.077	.076	-1.2
4. COMMISSION INCOME	1988.	.009	.051	461.8
5. ATTRIBUTABLE BENEFITS	5714.	.000	.020	999999.9
6. FARMING AND FISHING INCOME	-21067.	-.001	-.019	3237.1
TOTAL, LABOR INCOME	383942.	.005	.096	1886.5
7. DIVIDENDS FROM RESIDENT COMPANIES	4868.	.158	.079	-50.0
8. OTHER CORPORATE INCOME	18730.	.470	.071	-84.8
9. CAPITAL GAINS ON EQUITY INVESTMENTS	7059.	.000	.058	999999.9
TOTAL, CORPORATE INCOME	30657.	.312	.069	-77.7
10. UNINCORPORATED BUSINESS INCOME	-23750.	-.001	-.014	2020.9
TOTAL, BUSINESS INCOME	6908.	1.388	.357	-74.3
11. RENTAL INCOME	-13956.	-.002	-.007	351.6
12. OTHER CANADIAN INVESTMENT INCOME	11612.	.004	.066	1480.8
13. NON-BUSINESS CAPITAL GAINS	930.	.000	.051	999999.9
14. FOREIGN INVESTMENT INCOME	39.	.046	.082	78.8
15. DEDUCTIONS FROM INVESTMENT INCOME	-62.	.032	.015	-53.3
TOTAL, OTHER INVESTMENT INCOME	-1437.	-.049	-.642	1196.7
16. GIFTS AND BEQUESTS	4921.	.107	.066	-38.9
17. TRANSFER PAYMENTS RECEIVED	10782.	.001	.025	2361.3
18. INSURANCE PROCEEDS	0.	.000	.000	.0
19. ALIMONY RECEIVED	255.	.000	.041	999999.9
20. MISCELLANEOUS INCOME	-16418.	.001	.096	7346.6
TOTAL, OTHER INCOME	-459.	-1.128	2.117	-287.7
TOTAL INCOME	388953.	.031	.101	227.2

TABLE E-2

AVERAGE MARGINAL RATES ON EACH INCOME COMPONENT
FOR TAX UNITS IN INCOME CLASS 2

	ACCRUED INCOME (\$000)	AVERAGE MARGINAL RATES CURRENT	PROPOSED	PERCENT CHANGE
1. WAGES AND SALARIES	1150976.	.099	.094	-5.2
2. EMPLOYMENT EXPENSE DEDUCTIONS	-46713.	.001	.105	9895.8
3. PROFESSIONAL INCOME	3324.	.110	.112	2.2
4. COMMISSION INCOME	7209.	.061	.085	39.5
5. ATTRIBUTABLE BENEFITS	3939.	.000	.080	999999.9
6. FARMING AND FISHING INCOME	39227.	.031	.050	58.7
TOTAL, LABOR INCOME	1157961.	.100	.092	-8.2
7. DIVIDENDS FROM RESIDENT COMPANIES	6315.	.251	.087	-65.3
8. OTHER CORPORATE INCOME	24297.	.448	.079	-82.4
9. CAPITAL GAINS ON EQUITY INVESTMENTS	9157.	.000	.064	999999.9
TOTAL, CORPORATE INCOME	39768.	.314	.077	-75.6
10. UNINCORPORATED BUSINESS INCOME	57249.	.050	.067	33.7
TOTAL, BUSINESS INCOME	97017.	.158	.071	-55.3
11. RENTAL INCOME	5287.	.005	.094	1812.4
12. OTHER CANADIAN INVESTMENT INCOME	31912.	.033	.108	222.4
13. NON-BUSINESS CAPITAL GAINS	2566.	.000	.083	999999.9
14. FOREIGN INVESTMENT INCOME	172.	.068	.124	83.3
15. DEDUCTIONS FROM INVESTMENT INCOME	-109.	.053	.103	92.5
TOTAL, OTHER INVESTMENT INCOME	39828.	.028	.104	278.7
16. GIFTS AND BEQUESTS	13425.	.107	.108	.7
17. TRANSFER PAYMENTS RECEIVED	48631.	.034	.064	90.0
18. INSURANCE PROCEEDS	0.	.000	.000	.0
19. ALIMONY RECEIVED	1220.	.037	.054	47.8
20. MISCELLANEOUS INCOME	-7912.	.080	.084	4.2
TOTAL, OTHER INCOME	55364.	.045	.072	59.6
TOTAL INCOME	1350171.	.100	.090	-10.0

TABLE E-2

AVERAGE MARGINAL RATES ON EACH INCOME COMPONENT
FOR TAX UNITS IN INCOME CLASS 3

	ACCRUED INCOME (\$000)	AVERAGE MARGINAL RATES CURRENT	PROPOSED	PERCENT CHANGE
1. WAGES AND SALARIES	2365873.	.154	.142	-7.5
2. EMPLOYMENT EXPENSE DEDUCTIONS	-91881.	.003	.148	4680.1
3. PROFESSIONAL INCOME	7785.	.113	.136	19.8
4. COMMISSION INCOME	18407.	.111	.127	14.5
5. ATTRIBUTABLE BENEFITS	32547.	.000	.143	99999.9
6. FARMING AND FISHING INCOME	110872.	.049	.114	133.5
TOTAL, LABOR INCOME	2443603.	.152	.141	-7.6
7. DIVIDENDS FROM RESIDENT COMPANIES	10407.	.357	.145	-59.5
8. OTHER CORPORATE INCOME	40044.	.426	.131	-69.3
9. CAPITAL GAINS ON EQUITY INVESTMENTS	15091.	.000	.106	99999.9
TOTAL, CORPORATE INCOME	65542.	.317	.127	-59.8
10. UNINCORPORATED BUSINESS INCOME	131538.	.059	.097	63.2
TOTAL, BUSINESS INCOME	197080.	.145	.107	-26.2
11. RENTAL INCOME	16268.	.021	.117	466.5
12. OTHER CANADIAN INVESTMENT INCOME	81087.	.060	.154	156.3
13. NON-BUSINESS CAPITAL GAINS	6472.	.000	.118	99999.9
14. FOREIGN INVESTMENT INCOME	432.	.062	.116	86.0
15. DEDUCTIONS FROM INVESTMENT INCOME	-185.	.080	.147	84.0
TOTAL, OTHER INVESTMENT INCOME	104074.	.050	.146	190.8
16. GIFTS AND BEQUESTS	33861.	.107	.154	43.6
17. TRANSFER PAYMENTS RECEIVED	129223.	.074	.132	76.8
18. INSURANCE PROCEEDS	0.	.000	.000	.0
19. ALIMONY RECEIVED	2278.	.102	.105	2.9
20. MISCELLANEOUS INCOME	-3636.	.188	.137	-27.0
TOTAL, OTHER INCOME	161727.	.079	.136	71.6
TOTAL INCOME	2906483.	.144	.138	-4.0

TABLE E-4

AVERAGE MARGINAL RATES ON EACH INCOME COMPONENT
FOR TAX UNITS IN INCOME CLASS 4

	ACCRUED INCOME (\$000)	AVERAGE MARGINAL RATES CURRENT	PROPOSED	PERCENT CHANGE
1. WAGES AND SALARIES	3448601.	.179	.171	-4.4
2. EMPLOYMENT EXPENSE DEDUCTIONS	-130378.	.005	.174	3348.3
3. PROFESSIONAL INCOME	11578.	.159	.173	8.9
4. COMMISSION INCOME	30924.	.150	.159	6.3
5. ATTRIBUTABLE BENEFITS	75843.	.000	.171	99999.9
6. FARMING AND FISHING INCOME	86234.	.101	.138	36.7
TOTAL, LABOR INCOME	3522802.	.179	.170	-5.2
7. DIVIDENDS FROM RESIDENT COMPANIES	10758.	.448	.174	-61.1
8. OTHER CORPORATE INCOME	41394.	.404	.158	-61.0
9. CAPITAL GAINS ON EQUITY INVESTMENTS	15600.	.000	.128	99999.9
TOTAL, CORPORATE INCOME	67752.	.318	.153	-51.8
10. UNINCORPORATED BUSINESS INCOME	197269.	.091	.125	37.1
TOTAL, BUSINESS INCOME	265021.	.149	.132	-11.3
11. RENTAL INCOME	14010.	.026	.140	441.6
12. OTHER CANADIAN INVESTMENT INCOME	110323.	.066	.180	173.1
13. NON-BUSINESS CAPITAL GAINS	7203.	.000	.140	99999.9
14. FOREIGN INVESTMENT INCOME	454.	.090	.146	63.4
15. DEDUCTIONS FROM INVESTMENT INCOME	-310.	.128	.172	34.2
TOTAL, OTHER INVESTMENT INCOME	131681.	.058	.174	199.1
16. GIFTS AND BEQUESTS	37688.	.107	.182	69.6
17. TRANSFER PAYMENTS RECEIVED	127961.	.069	.149	117.6
18. INSURANCE PROCEEDS	0.	.000	.000	.0
19. ALIMONY RECEIVED	4386.	.136	.153	12.3
20. MISCELLANEOUS INCOME	-3960.	.178	.158	-11.1
TOTAL, OTHER INCOME	166074.	.076	.156	104.5
TOTAL INCOME	4085578.	.169	.167	-1.3

TABLE E-5

AVERAGE MARGINAL RATES ON EACH INCOME COMPONENT
FOR TAX UNITS IN INCOME CLASS 5

	ACCRUED INCOME (\$000)	AVERAGE MARGINAL RATES CURRENT	AVERAGE MARGINAL RATES PROPOSED	PERCENT CHANGE
1. WAGES AND SALARIES	4059688.	.189	.194	2.7
2. EMPLOYMENT EXPENSE DEDUCTIONS	-147172.	.009	.195	2119.3
3. PROFESSIONAL INCOME	9478.	.182	.192	5.7
4. COMMISSION INCOME	41276.	.178	.188	5.4
5. ATTRIBUTABLE BENEFITS	87851.	.000	.193	999999.9
6. FARMING AND FISHING INCOME	84298.	.163	.180	10.8
TOTAL, LABOR INCOME	4135418.	.190	.193	1.6
7. DIVIDENDS FROM RESIDENT COMPANIES	14863.	.491	.194	-60.6
8. OTHER CORPORATE INCOME	57186.	.394	.175	-55.4
9. CAPITAL GAINS ON EQUITY INVESTMENTS	21551.	.000	.142	999999.9
TOTAL, CORPORATE INCOME	93601.	.319	.171	-46.4
10. UNINCORPORATED BUSINESS INCOME	162504.	.129	.146	13.4
TOTAL, BUSINESS INCOME	256105.	.198	.155	-21.8
11. RENTAL INCOME	19312.	.061	.147	141.5
12. OTHER CANADIAN INVESTMENT INCOME	165230.	.064	.199	211.8
13. NON-BUSINESS CAPITAL GAINS	8827.	.000	.155	999999.9
14. FOREIGN INVESTMENT INCOME	875.	.103	.123	19.5
15. DEDUCTIONS FROM INVESTMENT INCOME	-538.	.169	.200	18.5
TOTAL, OTHER INVESTMENT INCOME	193706.	.061	.192	216.4
16. GIFTS AND BEQUESTS	46418.	.106	.201	89.2
17. TRANSFER PAYMENTS RECEIVED	151840.	.062	.181	193.8
18. INSURANCE PROCEEDS	0.	.000	.000	.0
19. ALIMONY RECEIVED	3280.	.183	.183	-.3
20. MISCELLANEOUS INCOME	-1149.	.292	.177	-39.4
TOTAL, OTHER INCOME	200390.	.073	.186	155.7
TOTAL INCOME	4785618.	.181	.191	5.7

TABLE E-6

AVERAGE MARGINAL RATES ON EACH INCOME COMPONENT
FOR TAX UNITS IN INCOME CLASS 6

	ACCRUED INCOME (\$'000)	AVERAGE MARGINAL RATES CURRENT	AVERAGE MARGINAL RATES PROPOSED	PERCENT CHANGE
1. WAGES AND SALARIES	3044088.	.198	.203	2.1
2. EMPLOYMENT EXPENSE DEDUCTIONS	-106947.	.011	.203	1806.8
3. PROFESSIONAL INCOME	10247.	.195	.203	4.0
4. COMMISSION INCOME	41517.	.195	.199	2.1
5. ATTRIBUTABLE BENEFITS	67283.	.000	.202	999999.9
6. FARMING AND FISHING INCOME	60021.	.190	.194	2.2
TOTAL, LABOR INCOME	3116209.	.200	.202	1.0
7. DIVIDENDS FROM RESIDENT COMPANIES	13725.	.514	.204	-60.3
8. OTHER CORPORATE INCOME	52808.	.389	.185	-52.4
9. CAPITAL GAINS ON EQUITY INVESTMENTS	19901.	.000	.150	999999.9
TOTAL, CORPORATE INCOME	86433.	.319	.180	-43.6
10. UNINCORPORATED BUSINESS INCOME	138263.	.150	.159	5.8
TOTAL, BUSINESS INCOME	224697.	.215	.167	-22.4
11. RENTAL INCOME	17555.	.080	.154	93.7
12. OTHER CANADIAN INVESTMENT INCOME	150982.	.065	.209	221.0
13. NON-BUSINESS CAPITAL GAINS	7658.	.000	.164	999999.9
14. FOREIGN INVESTMENT INCOME	839.	.121	.147	20.6
15. DEDUCTIONS FROM INVESTMENT INCOME	-452.	.182	.191	5.3
TOTAL, OTHER INVESTMENT INCOME	176582.	.064	.201	216.1
16. GIFTS AND BEQUESTS	42904.	.100	.212	112.3
17. TRANSFER PAYMENTS RECEIVED	115736.	.053	.198	270.0
18. INSURANCE PROCEEDS	0.	.000	.000	.0
19. ALIMONY RECEIVED	3055.	.200	.198	-1.0
20. MISCELLANEOUS INCOME	2009.	.190	.204	7.4
TOTAL, OTHER INCOME	163704.	.070	.202	187.8
TOTAL INCOME	3681191.	.189	.200	6.0

TABLE E-7

AVERAGE MARGINAL RATES ON EACH INCOME COMPONENT
FOR TAX UNITS IN INCOME CLASS 7

	ACCRUED INCOME (\$000)	AVERAGE CURRENT	MARGINAL RATES PROPOSED	PERCENT CHANGE
1. WAGES AND SALARIES	3768370.	.207	.209	1.2
2. EMPLOYMENT EXPENSE DEDUCTIONS	-129373.	.011	.210	1775.2
3. PROFESSIONAL INCOME	24216.	.205	.213	3.6
4. COMMISSION INCOME	64132.	.204	.209	2.4
5. ATTRIBUTABLE BENEFITS	87301.	.000	.209	999999.9
6. FARMING AND FISHING INCOME	80458.	.203	.208	2.2
TOTAL, LABOR INCOME	3895105.	.209	.209	.3
7. DIVIDENDS FROM RESIDENT COMPANIES	23571.	.514	.211	-59.0
8. OTHER CORPORATE INCOME	90693.	.387	.191	-50.7
9. CAPITAL GAINS ON EQUITY INVESTMENTS	34178.	.000	.155	999999.9
TOTAL, CORPORATE INCOME	148443.	.318	.186	-41.7
10. UNINCORPORATED BUSINESS INCOME	199510.	.165	.170	3.1
TOTAL, BUSINESS INCOME	347953.	.231	.177	-23.3
11. RENTAL INCOME	28785.	.092	.163	76.9
12. OTHER CANADIAN INVESTMENT INCOME	228978.	.068	.216	217.8
13. NON-BUSINESS CAPITAL GAINS	11589.	.000	.169	999999.9
14. FOREIGN INVESTMENT INCOME	1302.	.119	.155	30.0
15. DEDUCTIONS FROM INVESTMENT INCOME	-1458.	.165	.216	30.8
TOTAL, OTHER INVESTMENT INCOME	269195.	.067	.208	208.9
16. GIFTS AND BEQUESTS	83120.	.099	.217	119.3
17. TRANSFER PAYMENTS RECEIVED	118078.	.056	.209	274.1
18. INSURANCE PROCEEDS	0.	.000	.000	.0
19. ALIMONY RECEIVED	1868.	.199	.217	8.9
20. MISCELLANEOUS INCOME	8007.	.190	.220	15.4
TOTAL, OTHER INCOME	211072.	.079	.212	168.4
TOTAL INCOME	4723325.	.196	.207	5.4

TABLE E-8

AVERAGE MARGINAL RATES ON EACH INCOME COMPONENT
FOR TAX UNITS IN INCOME CLASS 8

	ACCRUED INCOME (\$000)	AVERAGE MARGINAL RATES CURRENT	AVERAGE MARGINAL RATES PROPOSED	PERCENT CHANGE
1. WAGES AND SALARIES	1508327.	.232	.221	-4.6
2. EMPLOYMENT EXPENSE DEDUCTIONS	-50513.	.012	.222	1825.6
3. PROFESSIONAL INCOME	27675.	.226	.221	-2.1
4. COMMISSION INCOME	46656.	.226	.218	-3.4
5. ATTRIBUTABLE BENEFITS	39686.	.000	.220	99999.9
6. FARMING AND FISHING INCOME	51328.	.225	.216	-4.1
TOTAL, LABOR INCOME	1623159.	.233	.221	-5.0
7. DIVIDENDS FROM RESIDENT COMPANIES	19735.	.527	.223	-57.6
8. OTHER CORPORATE INCOME	75933.	.387	.202	-47.7
9. CAPITAL GAINS ON EQUITY INVESTMENTS	28616.	.000	.164	99999.9
TOTAL, CORPORATE INCOME	124284.	.320	.197	-38.5
10. UNINCORPORATED BUSINESS INCOME	132279.	.179	.178	-.5
TOTAL, BUSINESS INCOME	256563.	.247	.187	-24.3
11. RENTAL INCOME	22389.	.106	.175	64.3
12. OTHER CANADIAN INVESTMENT INCOME	130311.	.082	.231	181.0
13. NON-BUSINESS CAPITAL GAINS	7187.	.000	.181	99999.9
14. FOREIGN INVESTMENT INCOME	1244.	.111	.140	25.5
15. DEDUCTIONS FROM INVESTMENT INCOME	-1112.	.217	.234	7.7
TOTAL, OTHER INVESTMENT INCOME	160019.	.081	.220	171.2
16. GIFTS AND BEQUESTS	67575.	.108	.229	112.4
17. TRANSFER PAYMENTS RECEIVED	44895.	.071	.223	212.2
18. INSURANCE PROCEEDS	0.	.000	.000	.0
19. ALIMONY RECEIVED	972.	.205	.224	9.5
20. MISCELLANEOUS INCOME	5464.	.226	.232	2.8
TOTAL, OTHER INCOME	118905.	.100	.227	126.1
TOTAL INCOME	2158645.	.216	.217	.6

TABLE E-2

AVERAGE MARGINAL RATES ON EACH INCOME COMPONENT
FOR TAX UNITS IN INCOME CLASS 9

	ACCRUED INCOME (\$000)	AVERAGE MARGINAL RATES CURRENT	PROPOSED	PERCENT CHANGE
1. WAGES AND SALARIES	550468.	.258	.232	-10.0
2. EMPLOYMENT EXPENSE DEDUCTIONS	-17881.	.011	.232	1966.2
3. PROFESSIONAL INCOME	15244.	.246	.232	-5.8
4. COMMISSION INCOME	25024.	.251	.231	-7.9
5. ATTRIBUTABLE BENEFITS	16934.	.000	.230	99999.9
6. FARMING AND FISHING INCOME	23371.	.249	.231	-7.0
TOTAL, LABOR INCOME	613160.	.257	.232	-9.7
7. DIVIDENDS FROM RESIDENT COMPANIES	18581.	.532	.240	-54.8
8. OTHER CORPORATE INCOME	71493.	.386	.218	-43.6
9. CAPITAL GAINS ON EQUITY INVESTMENTS	26943.	.000	.176	99999.9
TOTAL, CORPORATE INCOME	117017.	.320	.212	-33.9
10. UNINCORPORATED BUSINESS INCOME	74441.	.199	.191	-4.3
TOTAL, BUSINESS INCOME	191458.	.273	.203	-25.5
11. RENTAL INCOME	16498.	.107	.186	74.9
12. OTHER CANADIAN INVESTMENT INCOME	87659.	.103	.250	142.1
13. NON-BUSINESS CAPITAL GAINS	6014.	.000	.196	99999.9
14. FOREIGN INVESTMENT INCOME	1267.	.120	.160	33.2
15. DEDUCTIONS FROM INVESTMENT INCOME	-1050.	.213	.256	19.8
TOTAL, OTHER INVESTMENT INCOME	110387.	.097	.236	143.1
16. GIFTS AND BEQUESTS	70211.	.120	.241	101.0
17. TRANSFER PAYMENTS RECEIVED	21990.	.119	.245	105.8
18. INSURANCE PROCEEDS	0.	.000	.000	0
19. ALIMONY RECEIVED	97.	.225	.242	7.3
20. MISCELLANEOUS INCOME	6126.	.227	.240	5.7
TOTAL, OTHER INCOME	98424.	.127	.242	91.2
TOTAL INCOME	1013429.	.230	.228	-.8

TABLE E-10

AVERAGE MARGINAL RATES ON EACH INCOME COMPONENT
FOR TAX UNITS IN INCOME CLASS 10

	ACCRUED INCOME (\$000)	AVERAGE MARGINAL RATES CURRENT	AVERAGE MARGINAL RATES PROPOSED	PERCENT CHANGE
1. WAGES AND SALARIES	610294.	.283	.252	-11.0
2. EMPLOYMENT EXPENSE DEDUCTIONS	-19711.	.012	.252	1957.0
3. PROFESSIONAL INCOME	46162.	.280	.252	-10.0
4. COMMISSION INCOME	36241.	.275	.248	-9.8
5. ATTRIBUTABLE BENEFITS	25274.	.000	.250	999999.9
6. FARMING AND FISHING INCOME	34527.	.279	.247	-11.4
TOTAL, LABOR INCOME	732789.	.280	.251	-10.2
7. DIVIDENDS FROM RESIDENT COMPANIES	24673.	.547	.259	-52.7
8. OTHER CORPORATE INCOME	94933.	.384	.234	-39.0
9. CAPITAL GAINS ON EQUITY INVESTMENTS	35776.	.000	.190	999999.9
TOTAL, CORPORATE INCOME	155382.	.321	.228	-29.1
10. UNINCORPORATED BUSINESS INCOME	99922.	.222	.205	-7.7
TOTAL, BUSINESS INCOME	255304.	.283	.219	-22.5
11. RENTAL INCOME	17507.	.114	.204	79.0
12. OTHER CANADIAN INVESTMENT INCOME	101861.	.109	.266	143.4
13. NON-BUSINESS CAPITAL GAINS	6894.	.000	.209	999999.9
14. FOREIGN INVESTMENT INCOME	1764.	.097	.139	43.1
15. DEDUCTIONS FROM INVESTMENT INCOME	-1524.	.237	.268	12.8
TOTAL, OTHER INVESTMENT INCOME	126503.	.102	.253	146.9
16. GIFTS AND BEQUESTS	113345.	.126	.257	104.5
17. TRANSFER PAYMENTS RECEIVED	20085.	.108	.261	141.5
18. INSURANCE PROCEEDS	0.	.000	.000	.0
19. ALIMONY RECEIVED	314.	.220	.293	33.2
20. MISCELLANEOUS INCOME	5850.	.246	.262	6.2
TOTAL, OTHER INCOME	139594.	.128	.258	100.8
TOTAL INCOME	1254190.	.246	.246	.0

TABLE E-11

AVERAGE MARGINAL RATES ON EACH INCOME COMPONENT
FOR TAX UNITS IN INCOME CLASS 11

	ACCRUED INCOME (\$'000)	AVERAGE CURRENT	MARGINAL RATES PROPOSED	PERCENT CHANGE
1. WAGES AND SALARIES	488998.	.339	.278	-17.8
2. EMPLOYMENT EXPENSE DEDUCTIONS	-15504.	.012	.278	2277.7
3. PROFESSIONAL INCOME	79824.	.344	.277	-19.4
4. COMMISSION INCOME	35315.	.342	.278	-18.6
5. ATTRIBUTABLE BENEFITS	28085.	.000	.277	999999.9
6. FARMING AND FISHING INCOME	26363.	.336	.278	-17.3
TOTAL, LABOR INCOME	643080.	.332	.278	-16.3
7. DIVIDENDS FROM RESIDENT COMPANIES	32250.	.578	.281	-51.5
8. OTHER CORPORATE INCOME	124083.	.383	.254	-33.7
9. CAPITAL GAINS ON EQUITY INVESTMENTS	46762.	.000	.206	999999.9
TOTAL, CORPORATE INCOME	203095.	.326	.247	-24.2
10. UNINCORPORATED BUSINESS INCOME	106969.	.270	.231	-14.5
TOTAL, BUSINESS INCOME	310064.	.307	.242	-21.2
11. RENTAL INCOME	23263.	.125	.221	76.9
12. OTHER CANADIAN INVESTMENT INCOME	105897.	.130	.293	126.1
13. NON-BUSINESS CAPITAL GAINS	7586.	.000	.229	999999.9
14. FOREIGN INVESTMENT INCOME	2666.	.139	.175	25.5
15. DEDUCTIONS FROM INVESTMENT INCOME	-2386.	.275	.295	7.0
TOTAL, OTHER INVESTMENT INCOME	137026.	.119	.275	130.6
16. GIFTS AND BEQUESTS	116499.	.125	.285	128.7
17. TRANSFER PAYMENTS RECEIVED	16516.	.135	.289	114.0
18. INSURANCE PROCEEDS	0.	.000	.000	.0
19. ALIMONY RECEIVED	441.	.323	.281	-13.1
20. MISCELLANEOUS INCOME	8651.	.298	.291	-2.5
TOTAL, OTHER INCOME	142107.	.137	.286	108.6
TOTAL INCOME	1232277.	.280	.270	-3.6

TABLE E-12

AVERAGE MARGINAL RATES ON EACH INCOME COMPONENT
FOR TAX UNITS IN INCOME CLASS 12

	ACCRUED INCOME (\$000)	AVERAGE MARGINAL RATES CURRENT	PROPOSED	PERCENT CHANGE
1. WAGES AND SALARIES	223062.	.392	.319	-18.5
2. EMPLOYMENT EXPENSE DEDUCTIONS	-7132.	.015	.319	2093.4
3. PROFESSIONAL INCOME	70266.	.402	.316	-21.3
4. COMMISSION INCOME	16743.	.393	.314	-20.0
5. ATTRIBUTABLE BENEFITS	15210.	.000	.317	999999.9
6. FARMING AND FISHING INCOME	12225.	.394	.316	-19.8
TOTAL, LABOR INCOME	330373.	.384	.318	-17.2
7. DIVIDENDS FROM RESIDENT COMPANIES	25384.	.613	.311	-49.2
8. OTHER CORPORATE INCOME	97669.	.383	.282	-26.5
9. CAPITAL GAINS ON EQUITY INVESTMENTS	36808.	.000	.228	999999.9
TOTAL, CORPORATE INCOME	159861.	.331	.274	-17.3
10. UNINCORPORATED BUSINESS INCOME	56882.	.319	.261	-18.1
TOTAL, BUSINESS INCOME	216743.	.328	.271	-17.5
11. RENTAL INCOME	14938.	.148	.244	64.4
12. OTHER CANADIAN INVESTMENT INCOME	69932.	.161	.328	104.1
13. NON-BUSINESS CAPITAL GAINS	5394.	.000	.255	999999.9
14. FOREIGN INVESTMENT INCOME	1836.	.142	.172	21.2
15. DEDUCTIONS FROM INVESTMENT INCOME	-1990.	.321	.325	1.2
TOTAL, OTHER INVESTMENT INCOME	90110.	.145	.307	111.2
16. GIFTS AND BEQUESTS	71332.	.123	.323	163.3
17. TRANSFER PAYMENTS RECEIVED	8131.	.168	.327	94.5
18. INSURANCE PROCEEDS	0.	.000	.000	.0
19. ALIMONY RECEIVED	71.	.403	.321	-20.2
20. MISCELLANEOUS INCOME	7437.	.338	.323	-4.4
TOTAL, OTHER INCOME	86972.	.146	.324	122.2
TOTAL INCOME	724197.	.309	.303	-1.9

TABLE E-13

AVERAGE MARGINAL RATES ON EACH INCOME COMPONENT
FOR TAX UNITS IN INCOME CLASS 13

	ACCRUED INCOME (\$'000)	AVERAGE MARGINAL RATES CURRENT	PROPOSED	PERCENT CHANGE
1. WAGES AND SALARIES	253410.	.436	.361	-17.3
2. EMPLOYMENT EXPENSE DEDUCTIONS	-8277.	.014	.361	2430.5
3. PROFESSIONAL INCOME	132851.	.447	.362	-18.9
4. COMMISSION INCOME	19766.	.441	.363	-17.7
5. ATTRIBUTABLE BENEFITS	19021.	.000	.361	99999.9
6. FARMING AND FISHING INCOME	7794.	.443	.364	-17.9
TOTAL, LABOR INCOME	424566.	.429	.362	-15.6
7. DIVIDENDS FROM RESIDENT COMPANIES	38764.	.661	.348	-47.4
8. OTHER CORPORATE INCOME	149353.	.382	.315	-17.5
9. CAPITAL GAINS ON EQUITY INVESTMENTS	56208.	.000	.255	99999.9
TOTAL, CORPORATE INCOME	244326.	.338	.306	-9.4
10. UNINCORPORATED BUSINESS INCOME	51225.	.359	.297	-17.0
TOTAL, BUSINESS INCOME	295551.	.342	.305	-10.8
11. RENTAL INCOME	21700.	.179	.275	54.2
12. OTHER CANADIAN INVESTMENT INCOME	86396.	.182	.368	102.6
13. NON-BUSINESS CAPITAL GAINS	6680.	.000	.285	99999.9
14. FOREIGN INVESTMENT INCOME	3060.	.184	.213	15.4
15. DEDUCTIONS FROM INVESTMENT INCOME	-3237.	.367	.368	.2
TOTAL, OTHER INVESTMENT INCOME	114599.	.165	.342	106.6
16. GIFTS AND BEQUESTS	96984.	.124	.366	195.2
17. TRANSFER PAYMENTS RECEIVED	7997.	.186	.367	97.0
18. INSURANCE PROCEEDS	0.	.000	.000	0.
19. ALIMONY RECEIVED	384.	.337	.377	12.1
20. MISCELLANEOUS INCOME	10506.	.386	.369	-4.3
TOTAL, OTHER INCOME	115871.	.153	.366	139.9
TOTAL INCOME	950586.	.336	.342	1.8

TABLE E-14

AVERAGE MARGINAL RATES ON EACH INCOME COMPONENT
FOR TAX UNITS IN INCOME CLASS 14

	ACCRUED INCOME (\$000)	AVERAGE MARGINAL RATES CURRENT	AVERAGE MARGINAL RATES PROPOSED	PERCENT CHANGE
1. WAGES AND SALARIES	181167.	.457	.402	-11.9
2. EMPLOYMENT EXPENSE DEDUCTIONS	-5971.	.010	.402	3878.8
3. PROFESSIONAL INCOME	111698.	.482	.408	-15.3
4. COMMISSION INCOME	11101.	.467	.406	-13.1
5. ATTRIBUTABLE BENEFITS	12342.	.000	.403	99999.9
6. FARMING AND FISHING INCOME	4195.	.457	.398	-13.0
TOTAL, LABOR INCOME	314531.	.457	.405	-11.4
7. DIVIDENDS FROM RESIDENT COMPANIES	48802.	.692	.383	-44.7
8. OTHER CORPORATE INCOME	194272.	.381	.347	-8.9
9. CAPITAL GAINS ON EQUITY INVESTMENTS	70763.	.000	.281	99999.9
TOTAL, CORPORATE INCOME	313838.	.343	.338	-1.7
10. UNINCORPORATED BUSINESS INCOME	27727.	.381	.326	-14.6
TOTAL, BUSINESS INCOME	341565.	.346	.337	-2.8
11. RENTAL INCOME	20820.	.196	.305	55.6
12. OTHER CANADIAN INVESTMENT INCOME	82357.	.227	.407	79.1
13. NON-BUSINESS CAPITAL GAINS	7073.	.000	.313	99999.9
14. FOREIGN INVESTMENT INCOME	3999.	.232	.242	4.2
15. DEDUCTIONS FROM INVESTMENT INCOME	-3839.	.418	.407	-2.5
TOTAL, OTHER INVESTMENT INCOME	110411.	.200	.375	87.5
16. GIFTS AND BEQUESTS	108950.	.126	.406	221.5
17. TRANSFER PAYMENTS RECEIVED	5926.	.252	.404	60.3
18. INSURANCE PROCEEDS	0.	.000	.000	0
19. ALIMONY RECEIVED	155.	.381	.408	7.1
20. MISCELLANEOUS INCOME	10002.	.417	.406	-2.4
TOTAL, OTHER INCOME	125033.	.156	.406	160.6
TOTAL INCOME	891540.	.340	.375	10.2

TABLE E-15

AVERAGE MARGINAL RATES ON EACH INCOME COMPONENT
FOR TAX UNITS IN INCOME CLASS 15

	ACCRUED INCOME (\$'000)	AVERAGE MARGINAL RATES CURRENT	MARGINAL RATES PROPOSED	PERCENT CHANGE
1. WAGES AND SALARIES	144701.	.495	.450	-9.1
2. EMPLOYMENT EXPENSE DEDUCTIONS	-4733.	.006	.450	7220.6
3. PROFESSIONAL INCOME	64260.	.501	.447	-10.8
4. COMMISSION INCOME	6237.	.497	.448	-10.0
5. ATTRIBUTABLE BENEFITS	7668.	.000	.449	99999.9
6. FARMING AND FISHING INCOME	773.	.514	.446	-13.2
TOTAL, LABOR INCOME	218906.	.490	.449	-8.4
7. DIVIDENDS FROM RESIDENT COMPANIES	45137.	.754	.422	-44.1
8. OTHER CORPORATE INCOME	182131.	.381	.382	.4
9. CAPITAL GAINS ON EQUITY INVESTMENTS	65449.	.000	.309	99999.9
TOTAL, CORPORATE INCOME	292718.	.353	.372	5.3
10. UNINCORPORATED BUSINESS INCOME	15424.	.405	.361	-11.0
TOTAL, BUSINESS INCOME	308142.	.356	.371	4.4
11. RENTAL INCOME	18984.	.227	.337	48.5
12. OTHER CANADIAN INVESTMENT INCOME	63772.	.277	.449	62.1
13. NON-BUSINESS CAPITAL GAINS	5707.	.000	.345	99999.9
14. FOREIGN INVESTMENT INCOME	4168.	.267	.255	-4.5
15. DEDUCTIONS FROM INVESTMENT INCOME	-3903.	.469	.450	-3.9
TOTAL, OTHER INVESTMENT INCOME	88728.	.239	.409	70.9
16. GIFTS AND BEQUESTS	85300.	.126	.449	257.0
17. TRANSFER PAYMENTS RECEIVED	3134.	.322	.447	38.9
18. INSURANCE PROCEEDS	0.	.000	.000	.0
19. ALIMONY RECEIVED	127.	.452	.452	-.2
20. MISCELLANEOUS INCOME	10403.	.467	.451	-3.6
TOTAL, OTHER INCOME	98964.	.168	.449	166.9
TOTAL INCOME	714740.	.357	.411	15.2

TABLE E-16

AVERAGE MARGINAL RATES ON EACH INCOME COMPONENT
FOR TAX UNITS IN INCOME CLASS 16

	ACCURUED INCOME (\$000)	AVERAGE MARGINAL RATES CURRENT	PROPOSED	PERCENT CHANGE
1. WAGES AND SALARIES	53673.	.531	.484	-8.8
2. EMPLOYMENT EXPENSE DEDUCTIONS	-1548.	.006	.484	8593.9
3. PROFESSIONAL INCOME	38850.	.547	.481	-12.0
4. COMMISSION INCOME	4549.	.540	.482	-10.8
5. ATTRIBUTABLE BENEFITS	2593.	.000	.482	99999.9
6. FARMING AND FISHING INCOME	216.	.358	.445	24.5
TOTAL, LABOR INCOME	98334.	.532	.483	-9.2
7. DIVIDENDS FROM RESIDENT COMPANIES	25112.	.779	.452	-41.9
8. OTHER CORPORATE INCOME	106963.	.381	.410	7.6
9. CAPITAL GAINS ON EQUITY INVESTMENTS	36413.	.000	.332	99999.9
TOTAL, CORPORATE INCOME	168488.	.358	.399	11.5
10. UNINCORPORATED BUSINESS INCOME	5815.	.433	.377	-12.8
TOTAL, BUSINESS INCOME	174303.	.361	.399	10.6
11. RENTAL INCOME	10088.	.242	.361	49.4
12. OTHER CANADIAN INVESTMENT INCOME	34181.	.314	.480	52.9
13. NON-BUSINESS CAPITAL GAINS	3337.	.000	.369	99999.9
14. FOREIGN INVESTMENT INCOME	2658.	.288	.277	-3.8
15. DEDUCTIONS FROM INVESTMENT INCOME	-1887.	.500	.482	-3.7
TOTAL, OTHER INVESTMENT INCOME	48376.	.269	.437	62.5
16. GIFTS AND BEQUESTS	51996.	.127	.482	279.0
17. TRANSFER PAYMENTS RECEIVED	1407.	.356	.479	34.6
18. INSURANCE PROCEEDS	0.	.000	.000	.0
19. ALIMONY RECEIVED	94.	.461	.483	4.9
20. MISCELLANEOUS INCOME	5227.	.497	.482	-2.9
TOTAL, OTHER INCOME	58723.	.166	.482	190.2
TOTAL INCOME	379737.	.363	.438	20.7

TABLE E-17

AVERAGE MARGINAL RATES ON EACH INCOME COMPONENT
FOR TAX UNITS IN INCOME CLASS 17

	ACCRUED INCOME (\$'000)	AVERAGE MARGINAL RATES CURRENT	PROPOSED	PERCENT CHANGE
1. WAGES AND SALARIES	58759.	.554	.500	-9.7
2. EMPLOYMENT EXPENSE DEDUCTIONS	-1459.	.006	.500	8162.8
3. PROFESSIONAL INCOME	19311.	.581	.500	-14.0
4. COMMISSION INCOME	2510.	.572	.500	-12.6
5. ATTRIBUTABLE BENEFITS	1942.	.000	.500	999999.9
6. FARMING AND FISHING INCOME	321.	.441	.500	13.3
TOTAL, LABOR INCOME	81385.	.557	.500	-10.3
7. DIVIDENDS FROM RESIDENT COMPANIES	29916.	.810	.470	-42.0
8. OTHER CORPORATE INCOME	131166.	.381	.426	11.6
9. CAPITAL GAINS ON EQUITY INVESTMENTS	43378.	.000	.345	999999.9
TOTAL, CORPORATE INCOME	204461.	.363	.415	14.3
10. UNINCORPORATED BUSINESS INCOME	8852.	.474	.404	-14.9
TOTAL, BUSINESS INCOME	213312.	.368	.415	12.7
11. RENTAL INCOME	10991.	.259	.375	44.6
12. OTHER CANADIAN INVESTMENT INCOME	36354.	.355	.500	40.7
13. NON-BUSINESS CAPITAL GAINS	3740.	.000	.384	999999.9
14. FOREIGN INVESTMENT INCOME	3625.	.312	.291	-6.9
15. DEDUCTIONS FROM INVESTMENT INCOME	-2043.	.519	.500	-3.7
TOTAL, OTHER INVESTMENT INCOME	52666.	.301	.451	50.0
16. GIFTS AND BEQUESTS	55245.	.127	.500	294.6
17. TRANSFER PAYMENTS RECEIVED	1080.	.420	.500	19.2
18. INSURANCE PROCEEDS	0.	.000	.000	.0
19. ALIMONY RECEIVED	64.	.477	.500	4.8
20. MISCELLANEOUS INCOME	6585.	.518	.500	-3.5
TOTAL, OTHER INCOME	62974.	.173	.500	188.9
TOTAL INCOME	410338.	.367	.449	22.5

TABLE E-18

AVERAGE MARGINAL RATES ON EACH INCOME COMPONENT
FOR TAX UNITS IN INCOME CLASS 18

	ACCRUED INCOME (\$'000)	AVERAGE MARGINAL RATES CURRENT	AVERAGE MARGINAL RATES PROPOSED	PERCENT CHANGE
1. WAGES AND SALARIES	20757.	.602	.500	-16.9
2. EMPLOYMENT EXPENSE DEDUCTIONS	-411.	.007	.500	6945.5
3. PROFESSIONAL INCOME	6677.	.646	.500	-22.6
4. COMMISSION INCOME	611.	.577	.500	-13.4
5. ATTRIBUTABLE BENEFITS	518.	.000	.500	999999.9
6. FARMING AND FISHING INCOME	54.	.557	.500	-10.2
TOTAL, LABOR INCOME	28207.	.609	.500	-17.9
7. DIVIDENDS FROM RESIDENT COMPANIES	15721.	.838	.470	-43.9
8. OTHER CORPORATE INCOME	68988.	.381	.426	11.6
9. CAPITAL GAINS ON EQUITY INVESTMENTS	22796.	.000	.345	999999.9
TOTAL, CORPORATE INCOME	107505.	.367	.415	13.0
10. UNINCORPORATED BUSINESS INCOME	2305.	.513	.401	-21.9
TOTAL, BUSINESS INCOME	109810.	.370	.415	12.0
11. RENTAL INCOME	4507.	.283	.375	32.4
12. OTHER CANADIAN INVESTMENT INCOME	17078.	.395	.500	26.6
13. NON-BUSINESS CAPITAL GAINS	1843.	.000	.384	999999.9
14. FOREIGN INVESTMENT INCOME	2259.	.305	.247	-19.0
15. DEDUCTIONS FROM INVESTMENT INCOME	-982.	.560	.500	-10.7
TOTAL, OTHER INVESTMENT INCOME	24706.	.330	.445	34.9
16. GIFTS AND BEQUESTS	25328.	.126	.500	296.7
17. TRANSFER PAYMENTS RECEIVED	302.	.449	.500	11.5
18. INSURANCE PROCEEDS	0.	.000	.000	.0
19. ALIMONY RECEIVED	5.	.500	.500	.0
20. MISCELLANEOUS INCOME	3183.	.559	.500	-10.5
TOTAL, OTHER INCOME	28818.	.177	.500	182.1
TOTAL INCOME	191541.	.371	.444	19.6

TABLE E-19

AVERAGE MARGINAL RATES ON EACH INCOME COMPONENT
FOR TAX UNITS IN INCOME CLASS 19

	ACRUED INCOME (\$'000)	AVERAGE MARGINAL RATES CURRENT	AVERAGE MARGINAL RATES PROPOSED	PERCENT CHANGE
1. WAGES AND SALARIES	19777.	.632	.500	-20.9
2. EMPLOYMENT EXPENSE DEDUCTIONS	-331.	.006	.500	8744.1
3. PROFESSIONAL INCOME	4318.	.662	.500	-24.5
4. COMMISSION INCOME	496.	.654	.500	-23.6
5. ATTRIBUTABLE BENEFITS	426.	.000	.500	99999.9
6. FARMING AND FISHING INCOME	37.	.901	.500	-44.5
TOTAL, LABOR INCOME	24724.	.636	.500	-21.4
7. DIVIDENDS FROM RESIDENT COMPANIES	20702.	.866	.470	-45.7
8. OTHER CORPORATE INCOME	90846.	.381	.426	11.6
9. CAPITAL GAINS ON EQUITY INVESTMENTS	30019.	.000	.345	99999.9
TOTAL, CORPORATE INCOME	141567.	.371	.415	11.8
10. UNINCORPORATED BUSINESS INCOME	3272.	.517	.391	-24.3
TOTAL, BUSINESS INCOME	144839.	.375	.415	10.6
11. RENTAL INCOME	3322.	.293	.375	27.9
12. OTHER CANADIAN INVESTMENT INCOME	19748.	.429	.500	16.5
13. NON-BUSINESS CAPITAL GAINS	2209.	.000	.384	99999.9
14. FOREIGN INVESTMENT INCOME	2432.	.365	.290	-20.6
15. DEDUCTIONS FROM INVESTMENT INCOME	-1309.	.580	.500	-13.8
TOTAL, OTHER INVESTMENT INCOME	26401.	.363	.455	25.5
16. GIFTS AND BEQUESTS	29990.	.126	.500	296.3
17. TRANSFER PAYMENTS RECEIVED	364.	.514	.500	-2.8
18. INSURANCE PROCEEDS	0.	.000	.000	.0
19. ALIMONY RECEIVED	0.	.000	.000	.0
20. MISCELLANEOUS INCOME	4154.	.574	.500	-12.9
TOTAL, OTHER INCOME	34508.	.184	.500	171.4
TOTAL INCOME	230471.	.373	.441	18.3

TABLE E-20

AVERAGE MARGINAL RATES ON EACH INCOME COMPONENT
FOR TAX UNITS IN INCOME CLASS 20

		ACCRUED INCOME (\$'000)	AVERAGE MARGINAL RATES CURRENT	PROPOSED	PERCENT CHANGE
1.	WAGES AND SALARIES	17554.	.685	.500	-27.0
2.	EMPLOYMENT EXPENSE DEDUCTIONS	-243.	.006	.500	8739.0
3.	PROFESSIONAL INCOME	2113.	.698	.500	-28.3
4.	COMMISSION INCOME	195.	.642	.500	-22.1
5.	ATTRIBUTABLE BENEFITS	266.	.000	.500	999999.9
6.	FARMING AND FISHING INCOME	-77.	.609	.500	-17.9
	TOTAL, LABOR INCOME	19808.	.685	.500	-27.1
7.	DIVIDENDS FROM RESIDENT COMPANIES	42064.	.975	.470	-51.8
8.	OTHER CORPORATE INCOME	184585.	.381	.426	11.6
9.	CAPITAL GAINS ON EQUITY INVESTMENTS	60993.	.000	.345	999999.9
	TOTAL, CORPORATE INCOME	287643.	.387	.415	7.2
10.	UNINCORPORATED BUSINESS INCOME	1323.	.572	.383	-33.0
	TOTAL, BUSINESS INCOME	288966.	.388	.415	6.9
11.	RENTAL INCOME	2064.	.322	.375	16.5
12.	OTHER CANADIAN INVESTMENT INCOME	31707.	.546	.500	-8.4
13.	NON-BUSINESS CAPITAL GAINS	3739.	.000	.384	999999.9
14.	FOREIGN INVESTMENT INCOME	4759.	.472	.282	-40.2
15.	DEDUCTIONS FROM INVESTMENT INCOME	-2518.	.668	.500	-25.2
	TOTAL, OTHER INVESTMENT INCOME	39750.	.466	.457	-2.1
16.	GIFTS AND BEQUESTS	44987.	.124	.500	301.6
17.	TRANSFER PAYMENTS RECEIVED	289.	.597	.500	-16.2
18.	INSURANCE PROCEEDS	0.	.000	.000	.0
19.	ALIMONY RECEIVED	0.	.000	.000	.0
20.	MISCELLANEOUS INCOME	7916.	.669	.500	-25.3
	TOTAL, OTHER INCOME	53192.	.208	.500	140.3
	TOTAL INCOME	401717.	.387	.435	12.4

TABLE B-21

AVERAGE MARGINAL RATES ON EACH INCOME COMPONENT FOR ALL
RESIDENT INDIVIDUALS FILING TAX RETURNS IN 1964

	ACCRUED INCOME (\$000)	AVERAGE MARGINAL RATES CURRENT	MARGINAL RATES PROPOSED	PERCENT CHANGE
1. WAGES AND SALARIES	22382963.	.202	.197	-2.8
2. EMPLOYMENT EXPENSE DEDUCTIONS	-803860.	.008	.195	2345.7
3. PROFESSIONAL INCOME	686443.	.403	.343	-15.0
4. COMMISSION INCOME	410899.	.250	.234	-6.6
5. ATTRIBUTABLE BENEFITS	530443.	.000	.220	999999.9
6. FARMING AND FISHING INCOME	601171.	.172	.186	8.0
TOTAL, LABOR INCOME	23808058.	.210	.202	-4.0
7. DIVIDENDS FROM RESIDENT COMPANIES	471353.	.668	.341	-48.9
8. OTHER CORPORATE INCOME	1897567.	.386	.313	-18.8
9. CAPITAL GAINS ON EQUITY INVESTMENTS	683462.	.000	.250	999999.9
TOTAL, CORPORATE INCOME	3052382.	.343	.303	-11.5
10. UNINCORPORATED BUSINESS INCOME	1449020.	.177	.178	.3
TOTAL, BUSINESS INCOME	4501402.	.290	.263	-9.2
11. RENTAL INCOME	274331.	.137	.234	70.4
12. OTHER CANADIAN INVESTMENT INCOME	1647377.	.130	.271	109.3
13. NON-BUSINESS CAPITAL GAINS	112648.	.000	.225	999999.9
14. FOREIGN INVESTMENT INCOME	39851.	.247	.227	-8.1
15. DEDUCTIONS FROM INVESTMENT INCOME	-30896.	.395	.380	-4.0
TOTAL, OTHER INVESTMENT INCOME	2043309.	.122	.261	114.5
16. GIFTS AND BEQUESTS	1200080.	.119	.324	172.0
17. TRANSFER PAYMENTS RECEIVED	834366.	.071	.181	155.0
18. INSURANCE PROCEEDS	0.	.000	.000	0
19. ALIMONY RECEIVED	19066.	.170	.179	5.5
20. MISCELLANEOUS INCOME	68446.	.544	.495	-9.1
TOTAL, OTHER INCOME	2121957.	.114	.272	137.8
TOTAL INCOME	32474726.	.209	.219	4.4

APPENDIX F

CURRENT AND PROPOSED AVERAGE MARGINAL TAX RATES ON INCOME FROM MAJOR SOURCE COMPONENTS FOR RESIDENT INDIVIDUALS CLASSIFIED BY INCOME AND BY IMPORTANCE OF SOURCE

The tables in this appendix provide data on average marginal tax rates on income from major source categories. Marginal tax rates are calculated as in Appendix E; it is assumed in computing marginal rates on a given source component that a marginal dollar of income obtained from that source has the same composition (that is, comes from the same combination of specific sources) as total income obtained from that source in 1964. Source components are defined as in Appendix C.

Average current marginal tax rates in each major source component are shown in Tables F-1 to F-7 for resident individuals who filed tax returns in 1964, classified by comprehensive income less concessionary allowances and by importance of income from the component. The income classification is as defined in Table 3 above. Average marginal rates under the proposed system (as estimated from the assumptions made) are shown in Tables F-8 to F-14.

All marginal rates (both current and proposed) are computed as a fraction of accrued income from the source. Average marginal rates are computed by weighting each individual's marginal tax rate on a given income component by the amount of accrued income which the individual receives from the component.

TABLE F-1

CURRENT AVERAGE MARGINAL TAX RATES ON INCOME
FROM WAGE AND SALARY EMPLOYMENT

INCOME CLASS	0-5	5-10	10-15	15-20	20-30	30-50	50-100	TOTAL
1	.001	.001	.000	.004	.115	.005	.004	.005
2	.051	.040	.020	.074	.048	.037	.105	.103
3	.064	.061	.068	.079	.070	.119	.161	.158
4	.120	.108	.116	.104	.126	.130	.183	.182
5	.152	.158	.152	.147	.130	.169	.192	.192
6	.187	.198	.195	.188	.174	.187	.202	.201
7	.200	.202	.206	.214	.210	.204	.210	.210
8	.222	.223	.222	.224	.226	.221	.236	.235
9	.227	.237	.238	.250	.238	.237	.263	.261
10	.244	.275	.251	.246	.265	.265	.287	.285
11	.315	.295	.297	.280	.307	.307	.342	.338
12	.355	.363	.301	.362	.349	.382	.397	.390
13	.405	.381	.342	.428	.408	.432	.440	.434
14	.427	.413	.429	.451	.459	.450	.460	.454
15	.466	.455	.472	.496	.475	.500	.499	.494
16	.489	.485	.512	.527	.518	.540	.552	.532
17	.523	.515	.540	.535	.547	.558	.609	.555
18	.550	.549	.579	.589	.597	.613	.661	.602
19	.570	.576	.614	.611	.624	.661	.696	.631
20	.667	.668	.701	.699	.687	.704	.734	.685
TOTAL	.341	.293	.227	.262	.255	.331	.201	.206

TABLE F-2
CURRENT AVERAGE MARGINAL TAX RATES ON INCOME FROM SELF-EMPLOYMENT

INCOME CLASS	PROPORTION OF INCOME FROM SELF-EMPLOYMENT					TOTAL
	0-5	5-10	10-15	15-20	20-30	
1	.001	.129	.000	.000	.008	.019
2	.075	.048	.030	.072	.073	.064
3	.107	.070	.008	.072	.118	.097
4	.125	.072	.074	.111	.138	.136
5	.158	.128	.114	.131	.135	.161
6	.170	.145	.128	.157	.156	.177
7	.185	.158	.168	.159	.171	.185
8	.211	.173	.178	.182	.198	.173
9	.240	.184	.191	.189	.193	.206
10	.258	.214	.215	.228	.222	.225
11	.314	.277	.256	.242	.250	.253
12	.353	.305	.277	.323	.274	.315
13	.394	.355	.351	.365	.318	.372
14	.419	.393	.406	.409	.408	.422
15	.454	.419	.431	.450	.468	.462
16	.476	.506	.493	.498	.517	.485
17	.508	.525	.529	.505	.531	.533
18	.552	.600	.497	.578	.618	.567
19	.564	.592	.591	.579	.604	.631
20	.648	.595	.682	.686	.699	.653
TOTAL	.232	.199	.205	.242	.261	.321
						.358
						.283

TABLE F-2

CURRENT AVERAGE MARGINAL TAX RATES ON
INCOME FROM FARMING AND FISHING

INCOME CLASS	PROPORTION OF INCOME FROM FARMING AND FISHING					
	0-5	5-10	10-15	15-20	20-30	30-50
1	.002	.000	.000	.000	.000	.000
2	.075	.052	.000	.013	.048	.000
3	.127	.042	.017	.013	.011	.008
4	.167	.047	.035	.131	.006	.075
5	.182	.179	.014	.128	.179	.149
6	.191	.189	.099	.043	.191	.185
7	.205	.202	.220	.218	.190	.200
8	.223	.215	.220	.000	.255	.200
9	.239	.251	.233	.260	.261	.212
10	.263	.272	.275	.261	.262	.225
11	.309	.292	.258	.305	.297	.263
12	.355	.349	.285	.370	.367	.320
13	.413	.388	.282	.248	.430	.386
14	.440	.452	.400	.450	.450	.442
15	.476	.445	.468	.450	.500	.463
16	.486	.000	.000	.000	.000	.500
17	.531	.000	.000	.500	.536	.535
18	.565	.600	.550	.000	.000	.567
19	.590	.550	.000	.600	.000	.000
20	.650	.000	.000	.000	.000	.700
TOTAL	.205	.152	.126	.131	.204	.193
					.167	.171

TABLE F-4

CURRENT AVERAGE MARGINAL TAX RATES ON INCOME
FROM UNINCORPORATED BUSINESS PROFIT

INCOME CLASS	PROPORTION OF INCOME FROM UNINCORPORATED BUSINESS PROFIT					TOTAL
	0-5	5-10	10-15	15-20	20-30	30-50
1	.003	.000	.000	.000	.000	.031
2	.083	.062	.077	.050	.021	.037
3	.108	.090	.111	.103	.076	.061
4	.142	.134	.118	.124	.141	.089
5	.152	.150	.148	.155	.142	.129
6	.157	.149	.158	.146	.163	.149
7	.166	.166	.162	.168	.163	.163
8	.187	.182	.180	.199	.178	.174
9	.198	.199	.209	.205	.193	.195
10	.204	.200	.218	.217	.218	.216
11	.251	.223	.277	.255	.280	.250
12	.273	.295	.312	.318	.312	.289
13	.320	.338	.362	.355	.342	.339
14	.360	.385	.375	.375	.372	.369
15	.379	.402	.401	.395	.414	.396
16	.419	.446	.410	.410	.438	.428
17	.424	.450	.448	.449	.486	.460
18	.465	.000	.492	.492	.498	.507
19	.436	.533	.000	.530	.574	.572
20	.524	.548	.615	.000	.572	.571
TOTAL	.171	.237	.282	.243	.206	.172
						.159
						.172

TABLE F-5

CURRENT AVERAGE MARGINAL TAX RATES ON INCOME FROM CORPORATE SOURCES

INCOME CLASS	PROPORTION OF INCOME FROM CORPORATE SOURCES					TOTAL
	0-5	5-10	10-15	15-20	20-30	
1	.289	.291	.312	.309	.302	.309
2	.302	.309	.307	.295	.293	.292
3	.310	.306	.305	.303	.297	.290
4	.312	.307	.306	.308	.300	.291
5	.313	.311	.312	.312	.304	.294
6	.313	.313	.309	.306	.311	.300
7	.314	.315	.315	.313	.312	.303
8	.318	.318	.317	.318	.315	.307
9	.322	.322	.321	.321	.317	.308
10	.325	.326	.328	.325	.318	.312
11	.335	.335	.336	.331	.329	.312
12	.345	.345	.345	.344	.340	.315
13	.354	.353	.352	.352	.350	.319
14	.363	.361	.359	.358	.358	.325
15	.366	.365	.364	.364	.362	.325
16	.371	.372	.371	.369	.367	.336
17	.379	.379	.372	.371	.368	.349
18	.389	.381	.379	.376	.378	.356
19	.390	.360	.393	.393	.380	.362
20	.390	.379	.359	.395	.387	.367
TOTAL	.317	.323	.328	.335	.340	.372
						.381
						.377
						.388
						.353
						.341

TABLE F-6

CURRENT AVERAGE MARGINAL TAX RATES ON INCOME
FROM FIXED-INCOME INVESTMENTS

INCOME CLASS	PROPORTION OF INCOME FROM FIXED-INCOME INVESTMENTS					50-100	TOTAL
	0-5	5-10	10-15	15-20	20-30	30-50	
1	.010	.004	.031	.001	.039	.000	.010
2	.085	.069	.022	.007	.001	.000	.061
3	.133	.104	.079	.067	.106	.000	.109
4	.175	.145	.113	.120	.111	.000	.149
5	.194	.193	.135	.139	.151	.000	.173
6	.197	.196	.162	.180	.104	.000	.186
7	.210	.199	.189	.188	.160	.000	.197
8	.233	.213	.208	.209	.194	.000	.218
9	.258	.239	.207	.203	.204	.000	.219
10	.284	.255	.201	.220	.197	.000	.234
11	.337	.279	.226	.228	.220	.000	.264
12	.389	.330	.256	.273	.269	.000	.304
13	.435	.348	.293	.296	.302	.000	.338
14	.443	.378	.366	.373	.388	.000	.388
15	.462	.443	.448	.453	.462	.000	.455
16	.527	.469	.455	.495	.492	.000	.476
17	.542	.504	.501	.519	.541	.000	.513
18	.569	.531	.552	.561	.578	.000	.542
19	.607	.558	.596	.623	.620	.000	.570
20	.680	.666	.706	.779	.761	.000	.694
TOTAL	.266	.347	.281	.210	.220	.000	.273

TABLE F-7

CURRENT AVERAGE MARGINAL TAX RATES ON INCOME
FROM OTHER INVESTMENT SOURCES

INCOME CLASS	PROPORTION OF INCOME FROM OTHER INVESTMENT SOURCES						TOTAL
	0-5	5-10	10-15	15-20	20-30	30-50	
1	-.001	.000	.000	.048	.002	.038	.000
2	-.001	.010	.002	.005	.005	.003	.015
3	.004	.010	.007	.015	.003	.016	.015
4	-.006	.013	.020	.014	.021	.026	.023
5	-.005	.021	.022	.046	.031	.031	.042
6	-.002	.014	.030	.030	.025	.043	.050
7	.001	.016	.037	.030	.032	.051	.052
8	.003	.017	.040	.035	.044	.071	.087
9	-.002	.024	.027	.027	.050	.069	.100
10	.004	.027	.026	.033	.050	.071	.106
11	.005	.032	.033	.049	.067	.081	.118
12	.004	.033	.046	.064	.081	.108	.152
13	.001	.045	.066	.090	.103	.122	.201
14	.005	.053	.104	.129	.154	.153	.208
15	.007	.078	.131	.159	.180	.196	.222
16	.010	.095	.151	.172	.198	.230	.239
17	.006	.112	.167	.190	.237	.231	.228
18	.018	.113	.194	.203	.249	.000	.319
19	.032	.126	.212	.237	.266	.273	.000
20	.034	.091	.111	.145	.000	.000	.344
TOTAL	.001	.042	.065	.058	.046	.046	.143
							.031

TABLE F-8

PROPOSED AVERAGE MARGINAL TAX RATES ON INCOME
FROM WAGE AND SALARY EMPLOYMENT

INCOME CLASS	PROPORTION OF INCOME FROM WAGE AND SALARY EMPLOYMENT					TOTAL
	0-5	5-10	10-15	15-20	20-30	
1	.080	.096	.091	.083	.041	.093
2	.087	.092	.052	.092	.069	.094
3	.143	.130	.119	.136	.136	.142
4	.172	.158	.156	.140	.160	.171
5	.195	.185	.187	.182	.131	.194
6	.208	.196	.200	.202	.184	.203
7	.220	.209	.209	.209	.217	.209
8	.228	.220	.218	.222	.217	.221
9	.252	.230	.239	.229	.244	.232
10	.271	.250	.252	.258	.257	.252
11	.287	.287	.288	.279	.282	.278
12	.322	.322	.320	.315	.331	.319
13	.366	.366	.370	.362	.372	.361
14	.406	.408	.408	.408	.405	.402
15	.449	.448	.446	.448	.452	.450
16	.482	.482	.481	.488	.483	.484
17	.500	.500	.500	.500	.500	.500
18	.500	.500	.500	.500	.500	.500
19	.500	.500	.500	.500	.500	.500
20	.500	.500	.500	.500	.500	.500
TOTAL	.328	.291	.235	.255	.251	.197
					.193	

TABLE F-2

PROPOSED AVERAGE MARGINAL TAX RATES ON INCOME FROM SELF-EMPLOYMENT

INCOME CLASS	PROPORTION OF INCOME FROM SELF-EMPLOYMENT					TOTAL
	0-5	5-10	10-15	15-20	20-30	
1	.122	.114	.007	.000	.094	.112
2	.118	.088	.091	.106	.081	.086
3	.139	.133	.050	.088	.125	.135
4	.155	.153	.153	.164	.163	.161
5	.190	.180	.146	.184	.183	.188
6	.200	.199	.174	.200	.190	.202
7	.210	.204	.207	.211	.206	.211
8	.219	.219	.214	.233	.231	.220
9	.234	.237	.238	.228	.225	.234
10	.249	.257	.244	.280	.255	.252
11	.277	.291	.280	.275	.275	.277
12	.318	.334	.316	.313	.316	.316
13	.362	.360	.363	.360	.372	.362
14	.404	.413	.401	.410	.402	.409
15	.448	.447	.452	.445	.450	.446
16	.486	.487	.477	.479	.471	.481
17	.500	.500	.500	.500	.500	.500
18	.500	.500	.500	.500	.500	.500
19	.500	.500	.500	.500	.500	.500
20	.500	.500	.500	.500	.500	.500
TOTAL	.241	.240	.240	.267	.276	.299
						.316

TABLE F-10

PROPOSED AVERAGE MARGINAL TAX RATES ON
INCOME FROM FARMING AND FISHING

INCOME CLASS	0-5	5-10	10-15	15-20	20-30	30-50	50-100	TOTAL
1	.125	.271	.075	.000	.000	.000	.000	.000
2	.101	.059	.069	.037	.071	.026	.046	.049
3	.133	.115	.082	.023	.102	.140	.113	.114
4	.166	.109	.029	.132	.030	.175	.136	.138
5	.191	.184	.018	.220	.220	.205	.179	.180
6	.198	.199	.157	.126	.195	.224	.192	.194
7	.206	.205	.240	.231	.200	.232	.207	.208
8	.221	.214	.217	.000	.251	.220	.216	.216
9	.228	.224	.225	.220	.221	.232	.233	.231
10	.249	.253	.251	.289	.246	.257	.246	.247
11	.279	.285	.306	.277	.281	.304	.276	.279
12	.317	.322	.335	.325	.350	.327	.314	.316
13	.359	.374	.353	.367	.385	.378	.358	.364
14	.406	.417	.420	.413	.417	.408	.388	.399
15	.446	.443	.453	.460	.456	.440	.447	.448
16	.478	.000	.000	.000	.000	.460	.467	.467
17	.500	.000	.000	.500	.500	.500	.500	.500
18	.500	.500	.500	.000	.000	.000	.000	.500
19	.500	.500	.000	.500	.000	.000	.500	.500
20	.500	.000	.000	.000	.000	.500	.000	.500
TOTAL	.204	.175	.149	.149	.225	.212	.182	.185

TABLE F-11

PROPOSED AVERAGE MARGINAL TAX RATES ON INCOME
FROM UNINCORPORATED BUSINESS PROFIT

INCOME CLASS	0-5	5-10	10-15	15-20	20-30	30-50	50-100	TOTAL
1	.081	.062	.000	.000	.039	1.056	.000	.000
2	.093	.057	.092	.077	.056	.046	.068	.069
3	.105	.087	.112	.105	.103	.105	.099	.100
4	.134	.126	.133	.149	.138	.106	.130	.128
5	.145	.178	.169	.165	.153	.141	.151	.150
6	.147	.188	.178	.169	.162	.161	.163	.163
7	.146	.182	.172	.183	.179	.172	.175	.174
8	.169	.183	.192	.203	.179	.180	.183	.182
9	.154	.221	.202	.204	.185	.195	.196	.194
10	.153	.200	.222	.223	.212	.208	.209	.209
11	.181	.248	.244	.233	.231	.238	.235	.234
12	.203	.276	.270	.263	.261	.269	.267	.266
13	.252	.305	.302	.301	.302	.320	.306	.304
14	.284	.340	.332	.337	.351	.342	.337	.335
15	.314	.368	.374	.373	.352	.379	.376	.370
16	.361	.393	.390	.378	.409	.398	.401	.394
17	.366	.421	.422	.423	.422	.420	.424	.418
18	.321	.000	.422	.426	.426	.426	.425	.418
19	.363	.417	.000	.425	.426	.425	.401	.405
20	.382	.426	.426	.000	.426	.426	.426	.420
TOTAL	.154	.227	.256	.228	.194	.178	.176	.181

TABLE F-12

PROPOSED AVERAGE MARGINAL TAX RATES ON
INCOME FROM CORPORATE SOURCES

INCOME CLASS	0-5	5-10	PROPORTION OF INCOME FROM CORPORATE SOURCES				30-50	50-100	TOTAL
			10-15	15-20	20-30				
1	.109	.109	.094	.090	.098	.095	.056	.094	
2	.122	.064	.080	.086	.112	.090	.120	.087	
3	.138	.123	.146	.142	.149	.151	.146	.138	
4	.160	.154	.166	.168	.169	.175	.163	.164	
5	.177	.185	.176	.191	.165	.191	.186	.181	
6	.180	.189	.186	.182	.199	.200	.193	.190	
7	.185	.194	.199	.184	.205	.208	.207	.196	
8	.192	.197	.206	.216	.204	.221	.219	.207	
9	.199	.205	.204	.226	.209	.236	.230	.222	
10	.212	.215	.235	.240	.224	.249	.258	.238	
11	.237	.238	.241	.251	.257	.261	.272	.258	
12	.270	.270	.272	.275	.286	.285	.294	.284	
13	.311	.309	.302	.306	.319	.317	.321	.317	
14	.351	.348	.342	.336	.350	.348	.349	.348	
15	.382	.378	.384	.382	.385	.384	.381	.382	
16	.402	.407	.416	.417	.415	.407	.409	.410	
17	.426	.426	.426	.426	.426	.426	.426	.426	
18	.426	.426	.426	.426	.426	.426	.426	.426	
19	.426	.426	.426	.426	.426	.426	.426	.426	
20	.426	.426	.426	.426	.426	.426	.426	.426	
TOTAL	.184	.201	.225	.258	.297	.297	.377	.314	

TABLE F-13

PROPOSED AVERAGE MARGINAL TAX RATES ON INCOME
FROM FIXED-INCOME INVESTMENTS

INCOME CLASS	0-5	5-10	10-15	15-20	20-30	30-50	50-100	TOTAL
1	.095	.058	.075	.108	.110	.036	.004	.091
2	.106	.103	.125	.117	.114	.015	.000	.108
3	.149	.149	.165	.161	.164	.166	.130	.154
4	.179	.177	.184	.192	.193	.176	.000	.182
5	.199	.199	.200	.212	.204	.219	.000	.201
6	.208	.212	.216	.218	.199	.210	.000	.213
7	.214	.221	.229	.226	.216	.218	.000	.220
8	.228	.227	.246	.242	.247	.246	.000	.236
9	.238	.248	.257	.264	.244	.249	.000	.255
10	.257	.265	.297	.276	.249	.257	.000	.271
11	.260	.302	.312	.301	.292	.304	.000	.299
12	.320	.330	.340	.331	.337	.316	.000	.332
13	.365	.374	.370	.378	.360	.369	.000	.370
14	.407	.408	.407	.402	.416	.395	.000	.407
15	.450	.447	.449	.447	.451	.451	.000	.449
16	.485	.482	.474	.480	.478	.482	.000	.480
17	.500	.500	.500	.500	.500	.500	.000	.500
18	.500	.500	.500	.500	.500	.500	.000	.500
19	.500	.500	.500	.500	.500	.500	.000	.500
20	.500	.500	.500	.500	.500	.500	.000	.500
TOTAL	.251	.345	.332	.257	.264	.288	.046	.290

TABLE F-14

PROPOSED AVERAGE MARGINAL TAX RATES ON INCOME
FROM OTHER INVESTMENT SOURCES

INCOME CLASS	PROPORTION OF INCOME FROM OTHER INVESTMENT SOURCES					TOTAL
	0-5	5-10	10-15	15-20	20-30	30-50
1	.091	.084	.068	.268	.090	.214
2	.106	.088	.058	.082	.069	.090
3	.140	.133	.144	.147	.136	.135
4	.177	.161	.158	.166	.175	.165
5	.197	.180	.171	.182	.183	.186
6	.203	.195	.196	.203	.204	.196
7	.207	.205	.197	.207	.206	.203
8	.216	.222	.207	.226	.208	.214
9	.228	.229	.223	.245	.218	.227
10	.244	.244	.263	.263	.217	.244
11	.270	.268	.280	.265	.253	.264
12	.309	.307	.299	.278	.264	.294
13	.354	.341	.323	.301	.299	.328
14	.393	.365	.339	.338	.317	.361
15	.434	.398	.369	.361	.357	.393
16	.468	.411	.396	.379	.382	.417
17	.477	.426	.408	.400	.391	.429
18	.459	.427	.427	.396	.389	.429
19	.452	.424	.402	.397	.393	.435
20	.449	.427	.424	.416	.400	.441
TOTAL	.235	.279	.282	.260	.214	.244
					.339	.244

APPENDIX G

CHANGES IN AVERAGE AND MARGINAL TAX RATES ON INCOME ATTRIBUTABLE TO RESIDENT INDIVIDUALS FROM DIFFERENT TYPES OF CORPORATIONS

The purpose of this appendix is to provide an indication of the difference between average changes in the effective taxation of income from large companies affected by industry-specific reforms, from small companies not in such industries, and from all companies that are affected by industry-specific reforms. The estimates presented in this appendix may be compared with the average changes in the effective taxation of all corporate source income for which estimates have already been presented in Appendices C, D, and F. "Small" companies are defined as companies reporting 1964 taxable profits of less than \$100,000.

In making these calculations, it has been assumed that no change would occur in the tax base of these companies, that the ratios of retentions and realized goodwill gains to dividends would be the same as for the Canadian average, and that roughly 47 per cent of the stock of large firms is owned by resident individuals. It is also assumed that the portfolio composition of resident individuals (that is, the fraction of corporate source income received from corporations of different types as well as the fractions of income accrued as dividends or in other forms such as goodwill gains) is uncorrelated with income, and that it is therefore safe to estimate average tax changes by assuming the composition of investors' portfolios to be uniformly that defined by the relationship among 1964 aggregates for all Canadian individuals combined. Estimates of the aggregate components of corporate source income attributable to individuals and taxable under the current (1967) and proposed tax systems is presented in Tables G-1 and G-2.

It should be noted that Tables G-1 and G-2 provide data on amounts allocable to all resident individuals, including some individuals who did not file tax returns in 1964. Estimates presented in G-1 and G-2 are thus not strictly comparable to those presented in Tables 4 and 6 and Appendix C alone though consistent with them. Further details regarding assumptions and a description of the specific calculations underlying the attribution of these components to individuals is presented in A General Income Tax Analyzer, Study 25 published by the Royal Commission on Taxation.

Estimates of accrued revenue from each corporate source attributable to resident individuals with positive income in each income class are presented in Tables G-3 to G-5.

Estimates of the average effective tax rates imposed on corporate source income derived from each type of corporation are presented in Tables G-6 to G-8 for the current tax system and in Tables G-9 to G-11 for the proposed tax system. Estimates of the corresponding effective marginal tax rates are presented in Tables G-12 to G-14 for the current tax system and in Tables G-15 to G-17 for the proposed tax system. These effective rates are calculated as described in Appendices D and F.

Detailed estimates of the components of accrued income allocable to resident individuals in each income class from each type of corporation are presented in Tables G-18 to G-21. These tables provide data on the extent to which the estimated distribution of components of corporate source income deviates from that implied by a straightforward proration

of all corporate source income in accordance with the distribution of currently reported dividend income. As noted above, the estimating techniques used assumed the composition of corporate source income to be independent of income; the deviations from strict prorationing arise primarily because of the non-linear relationship with reported dividends assumed for unreported dividend income and for section 105 capitalizations.

As in other appendices, dollar figures are in thousands except where otherwise noted. Some figures may not add to totals because of rounding.

TABLE G-1

CORPORATE SOURCE INCOME ATTRIBUTABLE TO RESIDENT INDIVIDUALS
IN 1964 AND TAXABLE UNDER THE PRESENT AND PROPOSED SYSTEMS
(millions of dollars)

	Under the present tax system		Under the Carter proposals	
Before-tax corporate income.	2,432	2,432	2,432	2,432
Untaxed income.	<u>470</u>		<u>290</u>	
TAXABLE CORPORATE INCOME	<u>1,962</u>		<u>2,142</u>	
Corporation income tax	804		1,071	
Tax on Section 105 distributions	<u>6</u>	<u>810</u>		<u>1,071</u>
AFTER-TAX CORPORATE INCOME		1,622		1,361
Goodwill gains		683		683
Corporate tax allocated to shareholders		<u>—</u>		<u>1,052</u>
CORPORATE SOURCE INCOME AFTER UNALLOCATED CORPORATE TAX		2,305		3,094
Income not taxed at personal level:				
Unreported dividends	28		—	
Section 105 distributions	40		—	
Unallocated corporate income	171		370	
Untaxed goodwill gains	683		212	
Stockholder depletion allowed	<u>4</u>	<u>1,926</u>	<u>—</u>	<u>581</u>
Taxable dividends paid from untaxed income:		379		2,513
Total received	67		45	
Less: Effect of proposed deferment	<u>—</u>	<u>67</u>	<u>28</u>	<u>17</u>
CORPORATE SOURCE INCOME TAXABLE AT PERSONAL LEVEL		<u>446</u>		<u>2,530</u>

Notes and sources:

The basic estimates underlying this table are presented in Volume 6 of the *Report*, particularly in Tables 35-5, 35-6, and 37-3 and in Appendix A. Other estimates are obtained from Appendix L of J. Bossons, *A General Income Tax Analyzer*, Study 25 published by the Commission.

Untaxed corporate income not brought into the corporate tax base under the Commission's recommendations is estimated from data in Table 35-4 of the *Report*. Untaxed goodwill gains under the Carter proposals are gains which are unrealized in the year and on which taxes are consequently deferred; such unrealized gains are assumed to be the equivalent of 31 percent of goodwill gains accrued during the year. The assumed relative importance of goodwill gains is based upon data presented in J. Bossons, *Rates of Return on Canadian Common Stocks: Dividends, Retentions, and Goodwill Gains*, Study 27 published by the Commission. Dividends paid out of untaxed income are treated as a return of capital under the Carter proposals and so similarly benefit from the deferment of tax; net deferments are assumed to be the equivalent of 60 percent of the total of such dividends. Estimates of unreported dividends are based on data presented in J. Bossons, "On the Measurement of Unreported Dividends and Corporate Profits in Canada", *IPA Working Paper Series*, October 1967. For other notes, see Appendix A to Volume 6 of the *Report*, and J. Bossons, *A General Income Tax Analyzer*, Chapter 3. Some figures do not add to totals due to rounding.

TABLE G-2
DISTRIBUTION AMONG TYPES OF COMPANIES OF THE TOTAL CURRENT
TAX BASE, CURRENT CORPORATE TAX, AND PROPOSED CHANGE IN BASE
ATTRIBUTABLE TO RESIDENT INDIVIDUALS
(millions of dollars)

	<u>Current Tax Base</u>	<u>Current Corporate Tax</u>	<u>Change in Base</u>
Special industries:			
Extractive industries	109	55	62
Life insurance	2	1	84
Real estate	77	15	15
Trust and mortgage companies	34	13	10
Iron and steel mills	29	11	7
Miscellaneous	<u>10</u>	<u>4</u>	<u>2</u>
	261	99	180
Other industries:			
Small companies (with less than \$100,000 per year in profits)	502	108	(80)
Other companies	<u>1,199</u>	<u>597</u>	<u>80</u>
ALL COMPANIES	<u>1,962</u>	<u>804</u>	<u>180</u>

Notes and sources:

For all special industries, data on changes in the tax base are obtained from Table 37-3 of the *Report*. The corresponding estimates of the current tax base and current corporate tax are obtained from data presented in Table 37-2, using estimates of resident shareholdings in these industries presented in *ibid.*, Volume 6, Note 19 to Appendix A, supplemented by additional estimates for real estate and trust and mortgage companies. In all cases, it has been assumed that the share of the current tax base attributable to residents is essentially the same as the share of the base changes attributable to residents. The non-resident share of ownership of iron and steel companies is estimated to be the same as for all manufacturing. The miscellaneous category is added simply to adjust the total to the total change in base. For small companies, data on the current tax base and on current corporate tax is obtained from *1966 Taxation Statistics, Part Two*, Table 6. The estimated reduction in tax base arising from the allowance of accelerated capital cost write-offs for small companies making a profit of less than \$100,000 per year is estimated from data presented in *ibid.*; cf. Note 16 to Appendix A in Volume 6 of the *Report*. It is assumed that 65 per cent of the current tax base and current tax of such companies is owned by resident individuals. \$125 million was subtracted from the estimate of the current year profit attributable to resident individuals for small companies derived from *1966 Taxation Statistics, loc. cit.*, to reflect prior years' losses deducted in computed taxable income. Estimates for other companies are computed as a residual given the totals attributable to residents, which are derived from those shown in the *Report*.

TABLE G-3
INCOME FROM LARGE COMPANIES NOT IN SPECIFIC INDUSTRIES
(thousands of dollars)

INCOME CLASS	0-5	5-10	10-15	15-20	20-30	30-50	50-100	TOTAL
1	1718.	3433.	3235.	3867.	2096.	398.	226.	14973.
2	10242.	8912.	3192.	316.	588.	190.	0.	23440.
3	17553.	13025.	2633.	2914.	2095.	354.	58.	38631.
4	21831.	6847.	4604.	3329.	2171.	1091.	0.	39934.
5	25287.	9459.	6576.	7497.	5229.	917.	203.	55169.
6	18320.	10137.	2281.	13114.	3348.	3233.	511.	50944.
7	33296.	13442.	10391.	15131.	9948.	4962.	324.	87493.
8	23457.	13454.	8140.	3979.	20594.	3392.	238.	73254.
9	14048.	8590.	5638.	6654.	27098.	6773.	169.	68971.
10	20084.	15545.	7636.	4916.	21827.	21377.	199.	91583.
11	16529.	23926.	9818.	8190.	22233.	37729.	1278.	119705.
12	4653.	16583.	17519.	4867.	17519.	31926.	1157.	94223.
13	4263.	17332.	20899.	19828.	26563.	53189.	1857.	143930.
14	3148.	8591.	25389.	15919.	16101.	110698.	5000.	184846.
15	1278.	3791.	12910.	25772.	18783.	99100.	10220.	171853.
16	887.	1871.	4140.	9279.	11037.	70454.	1424.	99092.
17	285.	809.	3051.	10183.	18193.	86285.	1267.	120072.
18	117.	479.	670.	970.	11438.	46726.	2710.	63110.
19	118.	296.	434.	895.	7035.	73158.	1180.	83116.
20	136.	91.	558.	1116.	4441.	128757.	33329.	168429.
TOTAL	217248.	176613.	149775.	158736.	248338.	780708.	61346.	1792765.

TABLE G-4
INCOME FROM SMALL COMPANIES NOT IN SPECIFIC INDUSTRIES
(thousands of dollars)

INCOME CLASS	0-5	5-10	10-15	15-20	20-30	30-50	50-100	TOTAL
1	3200.	2191.	440.	95.	79.	2.	10.	6016.
2	8682.	591.	146.	0.	0.	0.	0.	9418.
3	13088.	2191.	95.	123.	0.	23.	0.	15522.
4	12334.	2690.	779.	243.	0.	0.	0.	16045.
5	15350.	5569.	1039.	126.	82.	0.	0.	22166.
6	12122.	6334.	1636.	172.	205.	0.	0.	20469.
7	20853.	8860.	5227.	84.	130.	0.	0.	35154.
8	15629.	9842.	3384.	482.	96.	0.	0.	29433.
9	10560.	10189.	6615.	279.	68.	0.	0.	27712.
10	16450.	6145.	13786.	336.	72.	0.	8.	36797.
11	19330.	7885.	17356.	3013.	514.	0.	0.	48097.
12	13443.	6594.	11729.	5627.	448.	0.	17.	37858.
13	13309.	14238.	22096.	7438.	459.	287.	0.	57828.
14	10443.	12392.	30058.	19317.	2032.	0.	0.	74242.
15	3872.	18104.	18935.	23976.	4118.	0.	0.	69005.
16	2131.	6716.	10209.	20143.	572.	0.	0.	39771.
17	787.	9535.	7852.	29461.	541.	0.	0.	48175.
18	445.	2767.	7552.	13468.	1087.	0.	0.	25320.
19	228.	2300.	5645.	24701.	473.	0.	0.	33347.
20	170.	916.	6386.	46576.	13520.	0.	0.	67568.
TOTAL	192426.	136049.	170964.	195662.	24495.	312.	35.	719944.

TABLE G-5

INCOME FROM SPECIAL INDUSTRIES
(thousands of dollars)

INCOME CLASS	0-5	5-10	10-15	15-20	20-30	30-50	50-100	TOTAL
1	2639.	1619.	90.	56.	2.	0.	7.	4414.
2	6662.	249.	0.	0.	0.	0.	0.	6911.
3	10101.	1167.	104.	0.	17.	0.	0.	11390.
4	10510.	963.	301.	0.	0.	0.	0.	11774.
5	12373.	3640.	193.	60.	0.	0.	0.	16266.
6	11188.	3272.	409.	151.	0.	0.	0.	15020.
7	18108.	7155.	438.	95.	0.	0.	0.	25796.
8	14312.	6809.	439.	38.	0.	0.	0.	21598.
9	9406.	10151.	728.	50.	0.	0.	0.	20335.
10	13205.	11960.	1778.	53.	0.	6.	0.	27002.
11	15635.	13814.	5467.	377.	0.	0.	0.	35293.
12	11857.	8592.	6989.	329.	0.	0.	12.	27780.
13	15623.	16886.	9352.	337.	160.	211.	0.	42569.
14	12404.	13974.	26914.	1443.	14.	0.	0.	54750.
15	9822.	13858.	25717.	1627.	836.	0.	0.	51860.
16	3159.	6955.	19153.	359.	0.	0.	0.	29625.
17	1780.	10879.	23043.	422.	61.	0.	73.	36257.
18	427.	4852.	12958.	838.	0.	0.	0.	19075.
19	321.	2721.	21478.	491.	64.	98.	0.	25173.
20	197.	2822.	37273.	10293.	1061.	0.	0.	51647.
TOTAL	179728.	142339.	192825.	17018.	2216.	315.	92.	534532.

TABLE G-6

CURRENT AVERAGE TAX RATES ON INCOME FROM LARGE COMPANIES

INCOME CLASS	PROPORTION OF INCOME FROM LARGE COMPANIES					TOTAL
	0-5	5-10	10-15	15-20	20-30	
1	.321	.323	.323	.323	.323	.323
2	.318	.322	.321	.320	.320	.320
3	.317	.321	.320	.322	.322	.319
4	.314	.314	.318	.322	.323	.316
5	.312	.314	.319	.318	.323	.315
6	.312	.312	.315	.316	.320	.315
7	.314	.315	.313	.316	.321	.315
8	.315	.317	.316	.314	.320	.316
9	.317	.318	.319	.316	.320	.317
10	.318	.319	.316	.317	.318	.318
11	.322	.323	.324	.319	.325	.320
12	.321	.327	.322	.322	.326	.322
13	.336	.333	.332	.333	.319	.327
14	.356	.353	.354	.349	.325	.333
15	.354	.361	.361	.361	.325	.342
16	.367	.364	.370	.368	.333	.353
17	.363	.376	.374	.372	.348	.361
18	.369	.372	.376	.378	.359	.366
19	.354	.392	.385	.386	.364	.370
20	.225	.384	.398	.381	.380	.382
TOTAL	.317	.324	.334	.337	.346	.337
					.362	

TABLE G-7
CURRENT AVERAGE TAX RATES ON INCOME FROM SMALL COMPANIES

INCOME CLASS	0-5	5-10	10-15	15-20	20-30	30-50	50-100	TOTAL
1	.145	.145	.147	.146	.146	.146	.146	.145
2	.143	.139	.145	.000	.000	.000	.000	.142
3	.141	.144	.145	.140	.000	.146	.000	.141
4	.136	.143	.144	.146	.000	.000	.000	.138
5	.135	.143	.140	.146	.000	.000	.000	.137
6	.134	.138	.146	.146	.143	.000	.000	.137
7	.136	.137	.141	.144	.146	.000	.000	.137
8	.138	.137	.139	.147	.145	.000	.000	.137
9	.139	.138	.139	.140	.146	.000	.000	.138
10	.140	.139	.139	.145	.146	.000	.146	.139
11	.145	.141	.140	.142	.148	.000	.000	.140
12	.149	.145	.141	.142	.149	.000	.146	.143
13	.156	.154	.144	.144	.138	.000	.000	.144
14	.169	.167	.148	.146	.148	.146	.000	.149
15	.177	.176	.159	.154	.147	.000	.000	.154
16	.183	.182	.171	.164	.156	.000	.000	.162
17	.191	.186	.178	.173	.164	.000	.000	.169
18	.189	.192	.183	.178	.172	.000	.000	.177
19	.200	.200	.190	.183	.178	.000	.000	.181
20	.163	.188	.204	.196	.206	.000	.000	.186
TOTAL	.144	.156	.154	.171	.181	.146	.146	.157

TABLE G-8

CURRENT AVERAGE TAX RATES ON INCOME FROM SPECIAL INDUSTRIES

INCOME CLASS	0-5	5-10	10-15	15-20	20-30	30-50	50-100	TOTAL
1	.182	.182	.182	.182	.182	.182	.182	.182
2	.180	.180	.000	.000	.000	.000	.000	.180
3	.179	.181	.178	.000	.182	.000	.000	.179
4	.176	.181	.182	.000	.000	.000	.000	.176
5	.175	.179	.182	.182	.000	.000	.000	.175
6	.174	.178	.184	.180	.000	.000	.000	.176
7	.175	.177	.181	.182	.000	.000	.000	.176
8	.176	.176	.182	.182	.000	.000	.000	.177
9	.177	.176	.181	.182	.000	.000	.000	.178
10	.178	.178	.178	.182	.000	.182	.000	.180
11	.181	.178	.178	.183	.000	.000	.000	.181
12	.184	.179	.178	.184	.000	.000	.182	.184
13	.189	.182	.180	.175	.238	.182	.000	.187
14	.199	.186	.182	.183	.225	.000	.000	.193
15	.202	.194	.188	.183	.264	.000	.000	.196
16	.203	.197	.194	.191	.000	.000	.000	.198
17	.199	.198	.198	.196	.244	.000	.273	.201
18	.205	.196	.199	.199	.000	.000	.000	.204
19	.215	.202	.204	.204	.237	.254	.000	.213
20	.163	.217	.210	.222	.230	.000	.000	.189
TOTAL	.182	.185	.195	.208	.244	.204	.254	

TABLE G-2

PROPOSED AVERAGE TAX RATES ON INCOME FROM LARGE COMPANIES

INCOME CLASS	PROPORTION OF INCOME FROM LARGE COMPANIES					TOTAL
	0-5	5-10	10-15	15-20	20-30	
1	.011	.012	.012	.013	.014	.013
2	.029	.027	.034	.037	.030	.029
3	.041	.056	.084	.076	.089	.055
4	.066	.094	.081	.107	.103	.078
5	.091	.099	.097	.123	.113	.100
6	.096	.112	.106	.138	.136	.115
7	.103	.129	.128	.149	.148	.125
8	.115	.136	.139	.145	.158	.137
9	.126	.147	.146	.154	.173	.155
10	.136	.153	.162	.173	.185	.168
11	.152	.162	.182	.181	.199	.185
12	.174	.175	.190	.200	.201	.200
13	.197	.193	.203	.224	.228	.223
14	.237	.229	.238	.259	.255	.261
15	.267	.271	.279	.284	.294	.293
16	.306	.312	.319	.323	.320	.329
17	.342	.347	.342	.343	.349	.359
18	.368	.371	.374	.368	.373	.382
19	.375	.390	.383	.390	.388	.397
20	.383	.399	.398	.390	.411	.419
TOTAL	.106	.143	.188	.214	.231	.245
						.365
						.320
						.417

TABLE G-10

PROPOSED AVERAGE TAX RATES ON INCOME FROM SMALL COMPANIES

INCOME CLASS	0-5	5-10	10-15	15-20	20-30	30-50	50-100	TOTAL
1	.010	.011	.012	.015	.016	.029	.015	.011
2	.025	.028	.035	.000	.000	.000	.000	.025
3	.043	.072	.070	.075	.000	.030	.000	.047
4	.064	.082	.088	.049	.000	.000	.000	.068
5	.082	.096	.103	.106	.037	.000	.000	.087
6	.088	.120	.114	.100	.078	.000	.000	.100
7	.097	.126	.129	.050	.121	.000	.000	.109
8	.107	.131	.139	.131	.113	.000	.000	.119
9	.117	.143	.153	.146	.150	.000	.000	.136
10	.128	.148	.170	.154	.120	.000	.180	.147
11	.141	.160	.181	.177	.182	.000	.000	.161
12	.157	.174	.185	.196	.170	.000	.186	.175
13	.171	.192	.205	.213	.179	.206	.000	.195
14	.202	.220	.232	.238	.237	.000	.000	.227
15	.236	.249	.258	.261	.266	.000	.000	.256
16	.272	.279	.283	.292	.297	.000	.000	.286
17	.298	.299	.307	.318	.319	.000	.000	.312
18	.322	.322	.330	.336	.337	.000	.000	.332
19	.331	.338	.343	.346	.351	.000	.000	.345
20	.303	.340	.360	.363	.374	.000	.000	.365
TOTAL	.115	.188	.226	.304	.320	.192	.135	.214

TABLE G-11

INCOME CLASS	PROPOSED AVERAGE TAX RATES ON INCOME FROM SPECIAL INDUSTRIES					
	PROPORTION OF INCOME FROM SPECIAL INDUSTRIES					
	0-5	5-10	10-15	15-20	20-30	30-50
						50-100
						TOTAL
1	.013	.015	.019	.021	.032	.040
2	.031	.036	.000	.000	.000	.018
3	.053	.087	.091	.000	.037	.000
4	.079	.104	.079	.000	.000	.000
5	.096	.125	.130	.045	.000	.000
6	.112	.139	.137	.093	.000	.000
7	.120	.152	.118	.142	.000	.000
8	.130	.162	.152	.126	.000	.000
9	.141	.176	.168	.176	.000	.000
10	.152	.193	.197	.141	.000	.000
11	.169	.205	.210	.213	.000	.000
12	.187	.208	.231	.199	.000	.000
13	.208	.236	.248	.210	.200	.218
14	.243	.263	.278	.278	.215	.242
15	.285	.296	.306	.311	.235	.000
16	.325	.328	.340	.347	.000	.000
17	.350	.354	.372	.367	.312	.000
18	.382	.381	.392	.390	.000	.186
19	.393	.397	.405	.395	.352	.000
20	.410	.425	.425	.436	.370	.000
TOTAL	.152	.239	.342	.380	.301	.178
					.264	.252

TABLE G-12

CURRENT AVERAGE MARGINAL TAX RATES ON
INCOME FROM LARGE COMPANIES

INCOME CLASS	PROPORTION OF INCOME FROM LARGE COMPANIES					TOTAL
	0-5	5-10	10-15	15-20	20-30	
1	.300	.324	.320	.321	.316	.318
2	.317	.318	.303	.306	.300	.315
3	.321	.315	.314	.303	.301	.316
4	.322	.319	.311	.315	.308	.319
5	.324	.323	.319	.316	.313	.321
6	.325	.321	.321	.323	.318	.322
7	.326	.327	.323	.323	.322	.324
8	.330	.329	.327	.326	.320	.327
9	.334	.335	.330	.325	.326	.329
10	.338	.339	.332	.333	.327	.331
11	.347	.348	.345	.336	.330	.337
12	.358	.357	.356	.344	.335	.343
13	.367	.365	.363	.362	.345	.350
14	.376	.373	.373	.369	.360	.356
15	.372	.378	.378	.378	.374	.367
16	.386	.386	.386	.385	.380	.374
17	.393	.392	.388	.387	.385	.380
18	.399	.398	.400	.396	.392	.385
19	.400	.406	.406	.406	.399	.389
20	.379	.406	.410	.406	.413	.406
TOTAL	.331	.340	.351	.352	.347	.355
					.379	
					.367	

TABLE G-13

CURRENT AVERAGE MARGINAL TAX RATES ON
INCOME FROM SMALL COMPANIES

INCOME CLASS	PROPORTION OF INCOME FROM SMALL COMPANIES					TOTAL
	0-5	5-10	10-15	15-20	20-30	
1	.263	.265	.264	.247	.245	.263
2	.262	.249	.245	.000	.000	.260
3	.264	.249	.251	.245	.000	.262
4	.267	.258	.252	.245	.000	.264
5	.270	.261	.260	.250	.244	.267
6	.269	.269	.261	.261	.244	.268
7	.272	.269	.268	.247	.248	.270
8	.276	.272	.271	.259	.251	.274
9	.280	.272	.271	.263	.258	.275
10	.284	.277	.270	.266	.245	.278
11	.294	.281	.274	.272	.265	.283
12	.304	.291	.280	.274	.264	.289
13	.313	.308	.287	.281	.274	.297
14	.320	.317	.302	.290	.278	.303
15	.325	.325	.314	.309	.293	.315
16	.333	.330	.323	.316	.311	.321
17	.339	.334	.328	.325	.317	.327
18	.348	.342	.334	.329	.324	.332
19	.356	.350	.342	.334	.330	.336
20	.358	.360	.360	.352	.358	.354
TOTAL	.284	.298	.298	.322	.328	.302
					.241	
				.239		

TABLE G-14

CURRENT AVERAGE MARGINAL TAX RATES ON
INCOME FROM SPECIAL INDUSTRIES

INCOME CLASS	PROPORTION OF INCOME FROM SPECIAL INDUSTRIES					TOTAL
	0-5	5-10	10-15	15-20	20-30	
1	.234	.236	.225	.221	.240	.234
2	.233	.222	.000	.000	.000	.232
3	.235	.223	.223	.000	.221	.233
4	.236	.229	.226	.000	.000	.235
5	.238	.233	.229	.221	.000	.237
6	.239	.237	.233	.221	.000	.238
7	.240	.238	.232	.224	.000	.240
8	.243	.240	.232	.221	.000	.242
9	.245	.240	.238	.231	.000	.243
10	.249	.241	.239	.221	.000	.245
11	.256	.243	.241	.236	.000	.248
12	.263	.247	.244	.235	.000	.253
13	.269	.254	.248	.239	.268	.258
14	.272	.261	.256	.243	.255	.261
15	.272	.267	.266	.255	.287	.267
16	.271	.265	.267	.268	.000	.267
17	.262	.263	.268	.266	.278	.267
18	.278	.261	.272	.268	.000	.269
19	.287	.267	.272	.266	.284	.272
20	.274	.291	.281	.291	.269	.283
TOTAL	.250	.252	.266	.275	.276	.257
					.242	.284

TABLE G-15

PROPOSED AVERAGE MARGINAL TAX RATES ON INCOME FROM LARGE COMPANIES

INCOME CLASS	PROPORTION OF INCOME FROM LARGE COMPANIES					
	0-5	5-10	10-15	15-20	20-30	30-50
						50-100
						TOTAL
1	.112	.090	.099	.108	.082	.077
2	.090	.085	.091	.129	.098	.014
3	.136	.140	.154	.153	.155	.000
4	.164	.173	.166	.180	.179	.121
5	.184	.182	.180	.195	.193	.168
6	.187	.193	.192	.206	.203	.197
7	.191	.203	.198	.213	.212	.201
8	.198	.215	.209	.212	.227	.213
9	.205	.225	.216	.225	.242	.232
10	.218	.236	.237	.247	.257	.246
11	.243	.247	.265	.262	.274	.222
12	.277	.279	.288	.293	.292	.281
13	.318	.312	.321	.328	.326	.292
14	.361	.349	.354	.361	.356	.332
15	.392	.394	.395	.396	.395	.360
16	.417	.427	.428	.423	.420	.390
17	.438	.438	.438	.438	.438	.421
18	.438	.438	.438	.438	.438	.438
19	.439	.438	.438	.438	.438	.438
20	.443	.438	.438	.438	.438	.438
TOTAL	.195	.232	.284	.303	.311	.405
						.323

TABLE G-16

PROPOSED AVERAGE MARGINAL TAX RATES ON INCOME FROM SMALL COMPANIES

INCOME CLASS	0-5	5-10	10-15	15-20	20-30	30-50	50-100	TOTAL
1	.085	.090	.061	.092	.010	.098	.014	.084
2	.076	.097	.107	.000	.000	.000	.000	.078
3	.121	.134	.135	.135	.000	.105	.000	.123
4	.145	.152	.155	.140	.000	.000	.000	.146
5	.161	.164	.171	.171	.143	.000	.000	.162
6	.165	.179	.178	.168	.156	.000	.000	.170
7	.169	.185	.186	.185	.179	.000	.000	.176
8	.179	.192	.197	.193	.202	.000	.000	.186
9	.185	.205	.211	.217	.215	.000	.000	.199
10	.199	.213	.231	.230	.189	.000	.232	.213
11	.217	.230	.245	.242	.245	.000	.000	.231
12	.246	.255	.261	.267	.246	.000	.239	.255
13	.275	.286	.285	.292	.284	.299	.000	.284
14	.304	.315	.314	.311	.315	.000	.000	.312
15	.340	.344	.344	.340	.341	.000	.000	.342
16	.371	.367	.369	.365	.371	.000	.000	.367
17	.379	.380	.381	.381	.381	.000	.000	.381
18	.378	.380	.381	.381	.381	.000	.000	.381
19	.376	.380	.380	.381	.381	.000	.000	.381
20	.339	.374	.380	.381	.381	.000	.000	.380
TOTAL	.194	.265	.296	.357	.355	.284	.172	.281

TABLE G-17

PROPOSED AVERAGE MARGINAL TAX RATES ON
INCOME FROM SPECIAL INDUSTRIES

INCOME CLASS	0-5	5-10	10-15	15-20	20-30	30-50	50-100	TOTAL
1	.101	.101	.099	.012	.116	.116	.012	.100
2	.092	.108	.000	.000	.000	.000	.000	.092
3	.143	.158	.159	.000	.125	.000	.000	.145
4	.171	.183	.173	.000	.000	.000	.000	.172
5	.187	.200	.202	.168	.000	.000	.000	.190
6	.197	.209	.207	.183	.000	.000	.000	.200
7	.201	.218	.216	.210	.000	.000	.000	.206
8	.210	.232	.229	.237	.000	.000	.000	.218
9	.218	.247	.233	.252	.000	.000	.000	.233
10	.234	.265	.271	.222	.000	.271	.000	.250
11	.256	.280	.283	.287	.000	.000	.000	.270
12	.289	.301	.311	.288	.000	.000	.280	.298
13	.326	.334	.338	.332	.342	.349	.000	.332
14	.362	.364	.366	.367	.371	.000	.000	.365
15	.403	.403	.398	.398	.403	.000	.000	.400
16	.435	.427	.429	.432	.000	.000	.000	.429
17	.446	.446	.446	.445	.438	.000	.433	.446
18	.446	.446	.446	.446	.000	.000	.000	.446
19	.446	.446	.446	.445	.437	.435	.000	.446
20	.446	.446	.446	.446	.439	.000	.000	.446
TOTAL	.245	.323	.407	.418	.415	.374	.381	.331

TABLE G-18

DISTRIBUTION OVER INCOME CLASSES OF COMPONENTS OF INCOME ACCRUED
FROM LARGE COMPANIES NOT IN SPECIAL INDUSTRIES
(millions of dollars)

Income class	Before-tax corporate income					Total ac- crued income on equities	Dividends currently taxed at per- sonal level	Income taxed at personal level under proposals	
	Allocated Currently taxed	Added to tax base by pro- posals	Not allo- cated to taxpayers	Untaxed under proposals	Accrued goodwill gains			Corporate income	Realized goodwill gains
1	11.676	.729	.265	1.086	4.314	18.069	.913	12.405	2.975
2	15.146	.946	.344	1.409	5.596	23.440	1.828	16.091	3.859
3	24.962	1.558	.567	2.321	9.222	38.631	4.121	26.520	6.360
4	25.804	1.611	.586	2.400	9.533	39.934	5.372	27.415	6.575
5	35.648	2.226	.810	3.315	13.170	55.169	8.135	37.874	9.083
6	32.918	2.055	.748	3.061	12.162	50.944	7.838	34.974	8.387
7	56.535	3.530	1.284	5.258	20.887	87.493	13.583	60.064	14.405
8	47.334	2.955	1.075	4.402	17.488	73.253	11.458	50.289	12.060
9	44.566	2.782	1.012	4.145	16.465	68.971	10.861	47.349	11.355
10	59.178	3.695	1.344	5.503	21.863	91.583	14.635	62.872	15.078
11	77.349	4.829	1.757	7.193	28.577	119.705	19.193	82.178	19.708
12	80.883	3.801	1.383	5.662	22.493	94.223	15.145	64.684	15.513
13	93.021	5.811	2.114	8.652	34.331	143.929	23.391	98.833	23.677
14	120.127	7.522	2.763	11.201	43.233	184.845	29.740	127.649	29.816
15	111.916	7.037	2.586	10.446	39.867	171.853	27.488	118.954	27.495
16	65.121	4.101	1.534	6.103	22.234	99.092	15.333	69.221	15.334
17	79.256	5.008	1.885	7.443	26.449	120.041	18.241	84.264	18.241
18	41.673	2.634	.991	3.914	13.898	63.110	9.585	44.307	9.585
19	54.850	3.468	1.305	5.151	18.293	83.067	12.616	58.318	12.616
20	111.205	7.047	2.645	10.444	37.087	168.428	25.577	118.251	25.578
ALL CLASSES	1169.168	73.344	26.998	109.110	417.161	1795.780	275.051	1242.512	287.699

TABLE G-19

DISTRIBUTION OVER INCOME CLASSES OF COMPONENTS OF INCOME ACCRUED
FROM SMALL COMPANIES NOT IN SPECIAL INDUSTRIES
(millions of dollars)

Income class	Before-tax corporate income				Total ac- crued income on equities	Dividends currently taxed at per- sonal level	Income taxed at personal level under proposals	
	Allocated under proposals	Added to tax base by pro- posals	Not allo- cated to taxpayers	Untaxed under proposals			Corporate income	Realized goodwill gains
1	4.888	-729	.111	1.184	7.260	.382	4.160	1.246
2	6.341	-946	.144	1.535	9.418	.765	5.396	1.616
3	10.451	-1,558	.237	2.530	15.521	1.725	8.893	2.663
4	10.804	-1,611	.245	2.616	16.045	2.249	9.193	2.753
5	14.925	-2,226	.339	3.614	22.166	3.406	12.700	3.803
6	13.762	-2,055	.313	3.337	20.469	3.282	11.727	3.512
7	23.670	-3,530	.538	5.731	35.154	5.687	20.140	6.031
8	19.818	-2,955	.450	4.798	29.433	4.797	16.863	5.049
9	18.659	-2,782	.424	4.518	27.712	4.547	15.877	4.754
10	24.777	-3,695	.563	5.999	36.797	6.127	21.082	6.313
11	32.385	-4,829	.736	7.841	48.097	8.036	27.556	8.252
12	25.491	-3,801	.579	6.172	37.858	6.341	21.690	6.495
13	38.946	-5,811	.885	9.434	57.828	9.793	33.135	9.913
14	50.295	-7,522	1.157	12.211	74.242	12.451	42.774	12.483
15	46.857	-7,037	1.083	11.411	69.005	11.509	39.820	11.511
16	27.265	-4,101	.642	6.656	39.771	6.420	23.164	6.420
17	53.183	-5,008	.789	8.124	48.162	7.637	28.175	7.637
18	17.448	-2,634	.415	4.272	25.320	4.013	14.814	4.013
19	22.965	-3,468	.546	5.625	33.327	5.282	19.497	5.282
20	46.559	-7,047	1.108	11.420	67.568	10.709	39.513	10.709
ALL CLASSES	439.510	-73.344	11.304	119.026	721.153	115.159	416.166	120.455

TABLE G-20

DISTRIBUTION OVER INCOME CLASSES OF COMPONENTS OF INCOME ACCRUED FROM
COMPANIES AFFECTED BY MAJOR INDUSTRY-SPECIFIC REFORMS
(millions of dollars)

Income class	Before-tax corporate income				Accrued goodwill gains	Total ac- crued income on equities	Dividends currently taxed at per- sonal level	Income taxed at personal level under proposals	
	Allocated under proposals	Added to tax base by pro- posals	Not allo- cated to taxpayers	Untaxed under proposals				Corporate income	Realized goodwill gains
1	2,542	1,416	.058	.373	.939	5,327	.199	3,958	.648
2	3,297	1,837	.075	.484	1,218	6,911	.398	5,134	.840
3	5,434	3,027	.123	.798	2,007	11,390	.897	8,461	1,384
4	5,617	3,130	.128	.824	2,075	11,774	1,169	8,747	1,431
5	7,760	4,324	.176	1,139	2,867	16,266	1,771	12,083	1,977
6	7,166	3,992	.163	1,052	2,647	15,020	1,706	11,158	1,826
7	12,307	6,857	.280	1,806	4,547	25,796	2,957	19,163	3,136
8	10,304	5,741	.234	1,512	3,807	21,598	2,494	16,044	2,625
9	9,701	5,405	.220	1,424	3,584	20,335	2,364	15,106	2,472
10	12,882	7,177	.293	1,891	4,759	27,002	3,186	20,059	3,282
11	16,857	9,381	.382	2,471	6,221	35,293	4,178	26,219	4,290
12	13,253	7,384	.301	1,945	4,896	27,780	3,280	20,637	3,377
13	20,331	11,291	.462	2,981	7,504	42,569	5,027	31,622	5,175
14	26,201	14,663	.603	3,853	9,430	54,750	6,249	40,864	6,503
15	25,000	13,738	.578	3,653	8,891	51,860	5,621	38,737	6,132
16	14,266	8,047	.336	2,106	4,870	29,625	2,954	22,313	3,359
17	17,542	9,855	.417	2,586	5,856	36,257	3,207	27,397	4,039
18	9,232	5,183	.220	1,361	3,079	19,075	1,689	14,416	2,123
19	12,195	6,826	.290	1,796	4,067	25,173	2,234	19,020	2,805
20	25,122	13,869	.598	3,681	8,378	51,647	4,549	38,990	5,778
ALL CLASSES	256,987	143,144	5,936	37,736	91,642	535,445	56,130	400,130	63,201

TABLE G-21

DISTRIBUTION OVER INCOME CLASSES OF COMPONENTS OF INCOME ACCRUED
FROM ALL CANADIAN CORPORATIONS BY RESIDENT INDIVIDUALS
(millions of dollars)

Income class	Before-tax corporate income				Total accrued income on equities	Dividends currently taxed at personal level	Income taxed at personal level under proposals	
	Allocated under proposals	Added to tax base by proposals	Not allocated to taxpayers	Untaxed under proposals			Corporate income	Realized goodwill gains
1	19.106	1.416	.434	2.642	30.657	1.494	20.522	4.868
2	24.784	1.837	.563	3.428	39.768	2.991	26.621	6.315
3	40.846	3.027	.928	5.649	65.542	6.743	43.874	10.408
4	42.224	3.130	.959	5.840	67.752	8.791	45.354	10.759
5	58.333	4.324	1.325	8.068	93.600	13.311	62.657	14.863
6	53.866	3.992	1.223	7.450	86.433	12.827	57.859	13.725
7	92.511	6.857	2.101	12.795	148.442	22.227	99.368	23.572
8	77.455	5.741	1.759	10.712	124.284	18.749	83.196	19.735
9	72.927	5.405	1.656	10.086	117.017	17.772	78.332	18.581
10	96.836	7.177	2.199	13.393	155.382	23.948	104.013	24.674
11	126.571	9.381	2.875	17.505	203.095	31.406	135.952	32.250
12	99.627	7.384	2.263	13.779	159.861	24.765	107.011	25.385
13	152.299	11.291	3.461	21.066	244.326	38.211	163.590	38.765
14	196.623	14.663	4.522	27.266	313.837	48.440	211.286	48.803
15	183.774	13.738	4.247	25.510	292.718	44.617	197.511	45.138
16	106.651	8.047	2.512	14.864	168.488	24.707	114.699	25.112
17	129.981	9.855	3.091	18.154	204.460	29.085	139.837	29.916
18	68.353	5.183	1.626	9.547	107.505	15.287	73.536	15.721
19	90.009	6.826	2.141	12.572	141.567	20.132	96.835	20.703
20	182.886	13.869	4.351	25.545	287.643	40.836	196.754	42.065
ALL CLASSES	1915.664	143.144	44.237	265.872	3052.377	446.340	2058.808	471.355

